
THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Offer Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Royal China International Holdings Limited, you should at once hand this Offer Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

This Offer Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form of Acceptance.

STARCROSS GROUP LIMITED

(Incorporated in the British Virgin Islands with limited liability)

**OFFER DOCUMENT RELATING TO UNCONDITIONAL
MANDATORY CASH GENERAL OFFER FOR SHARES BY
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF STARCROSS GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ROYAL CHINA INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY STARCROSS GROUP LIMITED AND PARTIES
ACTING IN CONCERT WITH IT)**

Financial Adviser to Starcross Group Limited



Guotai Junan Capital Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Offer Document.

A letter from Guotai Junan Securities containing, among other things, details of the terms of the Offer is set out on pages 5 to 11 of this Offer Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar as soon as possible and in any event no later than 4:00 p.m. on Monday 24 September 2018 or such later time and/or date as the Offeror may decide and announce with the consent of the Executive, in accordance with the requirements under the Takeovers Code.

This Offer Document is issued by the Offeror. This Offer Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.royalchina.hk/as> long as the Offer remains open.

27 August 2018

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

All time and date references contained in this Offer Document and the accompanying Form of Acceptance shall refer to Hong Kong local time and dates.

Event	Time and Date
Despatch date of this Offer Document and the Form of Acceptance (<i>Note 1</i>)	Monday, 27 August 2018
Offer opens for acceptance (<i>Note 1</i>)	Monday, 27 August 2018
Latest date for the posting of the Response Document (<i>Note 2</i>)	Monday, 10 September 2018
Latest time and date for acceptance of the Offer on the Closing Date (<i>Note 3 & 4</i>)	not later than 4:00 p.m. on Monday, 24 September 2018
Announcement of the results of the Offer as at the Closing Date to be published on the website of the Stock Exchange and the Company (<i>Note 3</i>)	not later than 7:00 p.m. on Monday, 24 September 2018
Latest date for posting of remittances in respect of valid acceptances received under the Offer (<i>Note 4 & 5</i>)	Friday, 5 October 2018

Notes:

1. The Offer, which is unconditional, is made on the date of posting of this Offer Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Company is required to post the Response Document within 14 days from the posting of this Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the closing date by the number of days in respect of which the delay in the posting of the Response Document is agreed.
3. In accordance with the Takeovers Code, where the Response Document is posted after the date on which this Offer Document is posted, the Offer must initially be open for acceptance for at least 28 days following the date on which this Offer Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Monday, 24 September 2018 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued on the website of the Stock Exchange and the Company by 7:00 p.m. on the Closing Date, stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed in accordance with the Takeovers Code.

EXPECTED TIMETABLE

4. If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force on the Closing Date or the date for posting of remittances and it has (i) not been cancelled in time for trading on the Stock Exchange to resume in the afternoon, the time and date of the close of the Offer or the posting of remittances will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve; or (ii) been cancelled in time for trading on the Stock Exchange to resume in the afternoon, the time and date of the close of the Offer or the posting of remittances will remain at 4:00 p.m. on the same Business Day.
5. Remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt of all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed “5. Right of withdrawal” in Appendix I to this Offer Document.

Save as mentioned above, if the latest time for the acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

NOTICE TO SHAREHOLDERS OUTSIDE HONG KONG

The making of the Offer to persons being not residents in Hong Kong or with registered addresses in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents or registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction for accepting the Offer. The Offeror and parties acting in concert with it, Guotai Junan Securities, Guotai Junan Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, professional advisers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the section headed “7. Overseas Shareholders” in Appendix I to this Offer Document for further details.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offer Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “intend”, “seek”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. The Offeror and parties acting in concert with it, Guotai Junan Securities, Guotai Junan Capital and the Registrar assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable laws.

DEFINITIONS

In this Offer Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Announcement”	the announcement issued by the Offeror dated 1 August 2018
“Board”	the board of Directors
“Business Day(s)”	a day on which the banks are generally open for business in Hong Kong, other than Saturdays, Sundays and public holidays and/or a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Closing Date”	Monday, 24 September 2018, being the closing date of the Offer which is 28 days following the date on which this Offer Document is posted, or any subsequent closing date(s) as may be determined and announced by the Offeror with the consent of the Executive in accordance with the Takeovers Code
“Company”	Royal China International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with the stock code 1683
“Director(s)”	the director(s) of the Company, from time to time
“Encumbrances”	any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“Executive”	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a loan facility in the amount of HK\$120,000,000 granted by Guotai Junan Securities in favour of the Offeror, which is guaranteed by Mr. Leong and secured by the charge of the Sale Shares and the Offer Shares to be acquired by the Offeror pursuant to the Offer

DEFINITIONS

“Form of Acceptance”	the form of acceptance and transfer of Offer Shares in respect of the Offer
“Group”	collectively, the Company and its subsidiaries from time to time
“Guotai Junan Capital”	Guotai Junan Capital Limited, a corporation licensed under the SFO to carry on Type 6 (advising on corporate finance) regulated activity as defined in the SFO
“Guotai Junan Securities”	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed under the SFO to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as defined in the SFO
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	20 July 2018, being the last trading day for the Shares immediately prior to the publication of the Announcement
“Latest Practicable Date”	24 August 2018, being the latest practicable date prior to the printing of this Offer Document for ascertaining certain information contained in this Offer Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Leong”	Mr. Leong Hing Loong Rudoff
“Ms. Chew”	Ms. Chew Christina Mooi Chong
“Offer”	the unconditional mandatory cash general offer made by Guotai Junan Securities on behalf of the Offeror for all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code
“Offer Document”	this offer document issued by or on behalf of the Offeror to all Shareholders in accordance with the Takeovers Code containing, <i>inter alia</i> , details of the Offer, together with the Form of Acceptance
“Offeror”	Starcross Group Limited, a company incorporated in the British Virgin Islands, which is owned as to 75% by Mr. Leong and 25% by Ms. Chew
“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing from the date of the Announcement (i.e. 1 August 2018) and ending on the Closing Date

DEFINITIONS

“Offer Price”	the price at which the Offer will be made, being HK\$0.90 per Offer Share
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this Offer Document, shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Receivers”	Wong Teck Meng, Chan Pui Sze and Mak Hau Yin, all of Briscoe Wong Advisory Limited, the joint and several receivers over certain assets of the Vendor
“Registrar”	the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period from 1 February 2018, being the date falling six months prior to 1 August 2018 (the date of the Announcement and the commencement of the Offer Period) and ending on and including the Latest Practicable Date
“Response Document”	the document required to be issued by the Company to all the Shareholders in accordance with the Takeovers Code containing, amongst other things, a letter from the Board, a letter from the independent board committee in relation to the Offer and a letter from the independent financial adviser in relation to the Offer
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 20 July 2018 entered into amongst the Vendor as vendor, the Offeror as purchaser and the Receivers as agents of the Vendor in respect of the sale and purchase of the Sale Shares by the Vendor to the Offeror (as amended by the Supplemental Agreement)
“Sale and Purchase Completion”	the completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Sale Shares”	an aggregate of 375,000,000 Shares acquired by the Offeror from the Vendor pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shares”	the ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Sale and Purchase Agreement dated 27 July 2018
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trading Day”	a day when the Stock Exchange is open for trading in Hong Kong
“Vendor”	State Energy HK Limited (Receivers appointed pursuant to a share charge dated 12 February 2018 over the charged assets (as defined in the share charge) including the Sale Shares beneficially owned by State Energy HK Limited)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

The English text of this Offer Document and the Forms of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation.

LETTER FROM GUOTAI JUNAN SECURITIES



27 August 2018

To the Shareholders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH GENERAL OFFER FOR SHARES
BY GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF STARCROSS GROUP LIMITED TO
ACQUIRE ALL THE ISSUED SHARES OF
ROYAL CHINA INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY STARCROSS GROUP LIMITED AND PARTIES ACTING
IN CONCERT WITH IT)**

1. INTRODUCTION

Reference is made to the Announcement made by the Offeror in relation to, among other matters, the Sale and Purchase Agreement and the Offer.

As disclosed in the Announcement, the Vendor, the Offeror and the Receiver entered into the Sale and Purchase Agreement on 20 July 2018, pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase the Sale Shares, being 375,000,000 Shares, representing 75.00% of the entire issued share capital of the Company as at the Latest Practicable Date, for a consideration of HK\$337,500,000 (equivalent to HK\$0.90 per Sale Share). The Supplemental Agreement was entered into on 27 July 2018, pursuant to which the parties thereto agreed that the Offeror may in its absolute discretion at any time waive in writing any of the conditions to the Sale and Purchase Agreement. All conditions have been satisfied or waived and the Sale and Purchase Completion took place on 27 July 2018.

Immediately after the Sale and Purchase Completion, the Offeror and parties acting in concert with it own in aggregate 375,000,000 Shares, representing 75.00% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash general offer for all Offer Shares.

This letter forms part of this Offer Document and sets out, among other things, details of the principal terms of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. The terms and procedures of acceptance of the Offer are set out in this letter, Appendix I to this Offer Document, and the accompanying Form of Acceptance.

The Company is required to despatch the Response Document within 14 days after the posting of this Offer Document. Shareholders are advised to read this Offer Document and the Response Document before taking any action in respect of the Offer.

LETTER FROM GUOTAI JUNAN SECURITIES

THE OFFER

Guotai Junan Securities, for and on behalf of the Offeror, is making the Offer to acquire all of the Offer Shares pursuant to Rule 26.1 of the Takeovers Code on the following basis:

The Offer Price

For each Offer Share HK\$0.90 in cash

The Offer Price of HK\$0.90 per Offer Share under the Offer is the same as the purchase price of HK\$0.90 per Sale Share paid by the Offeror under the Sale and Purchase Agreement, which was arrived after arm's length negotiations between the Offeror and the Vendor.

The Offer is unconditional in all respects.

Comparison of value

The Offer Price of HK\$0.90 per Offer Share represents:

- (i) a premium of approximately 1.12% over the closing price of the Shares of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 0.90% over the average closing price of the Shares of approximately HK\$0.892 per Share for the last 5 consecutive Trading Days up to and including the Last Trading Day;
- (iii) approximately 3.06 times to the audited consolidated net asset value attributable to equity holders of the Company as at 31 December 2017 of approximately HK\$0.2943 per Share based on 500,000,000 Shares in issue as at the Latest Practicable Date; and
- (iv) a discount of approximately 2.17% to the closing price of HK\$0.92 per Share on the Stock Exchange on the Latest Practicable Date.

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.44 on 5 February 2018 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.75 on 18 April 2018.

Dealings in securities in the Company

Save for the acquisition of the Sale Shares and the charge of the Sale Shares pursuant to the Facility, the Offeror and parties acting in concert with it have not dealt in the Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period.

LETTER FROM GUOTAI JUNAN SECURITIES

Value of the Offer

As at the Latest Practicable Date, the Company has 500,000,000 Shares in issue. Based on the publicly available information, the Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and the Company has not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company which are convertible or exchangeable into Shares, as at the Latest Practicable Date.

Excluding the 375,000,000 Shares held by the Offeror and parties acting in concert with it, the number of Offer Shares is 125,000,000. Assuming that there is no change in the issued share capital of the Company and on the basis of the Offer Price of HK\$0.90 per Offer Share for 125,000,000 Offer Shares, the Offer would be valued at approximately HK\$112,500,000, which will be the maximum amount payable by the Offeror under the Offer in the event that the Offer is accepted in full.

The Offer will extend to all Shares in issue other than those Shares held by the Offeror and persons acting in concert with it on the date on which the Offer is made, being the date of despatch of this Offer Document.

CONFIRMATION OF FINANCIAL RESOURCES

The Offeror intends to finance and satisfy the consideration payable by the Offeror under the Offer by the Facility. The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company.

Guotai Junan Capital, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

FURTHER TERMS OF THE OFFER

Acceptance of the Offer

By validly accepting the Offer, the Shareholders will sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights accruing or attaching to them, including the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, being the date of posting of this Offer Document. Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date of receipt of duly completed and valid acceptance of the Offer. The relevant documents evidencing title in respect of such acceptance must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

LETTER FROM GUOTAI JUNAN SECURITIES

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Stamp duty in Hong Kong

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of the consideration payable by the Offeror in respect of the relevant acceptance of the Offer, or if higher, the market value of Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

INFORMATION ON THE OFFEROR, MR. LEONG AND MS. CHEW

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is owned as to 75% by Mr. Leong and as to 25% by Ms. Chew respectively. It had been the original controlling shareholder of the Company at the time of its listing in September 2015 and until the disposal of its entire interest in the Company in December 2016.

Mr. Leong Hing Loong Rudoff, aged 50, was the co-founder of the Company. He was appointed as a Director on 19 January 2015, and was re-designated as an executive Director on 24 April 2015. Mr. Leong was also the chairman of the Company since its listing until 10 February 2017, and is primarily responsible for managing business operation and client relationship in the business of design, fit out and decoration ("DFD") of the Group.

Mr. Leong has over 28 years of experience in architectural design, and interior design and fit out with most of such experience gained in Hong Kong. Prior to the establishment of the Group, Mr. Leong had developed his career in architectural practices in both Australia and Hong Kong. Mr. Leong has worked for the Group for over 20 years since the commencement of business of LCL Architects Limited in 1996.

Mr. Leong obtained a Bachelor's Degree in Architecture from the University of Western Australia in Australia in December 1989. He has been a member of The Hong Kong Institute of Architects and an Overseas Member Level 1 of the Royal Australian Institute of Architects (formerly known as the Australian Institute of Architects) since April 1992. He has been a registered architect in Hong Kong since 1992. He was also a Chartered International Member of the Royal Institute of British Architects from 1992 to 2012. He is also currently a Hong Kong authorised person (architect).

Ms. Chew, aged 52, was appointed as a Director on 24 April 2015, and was re-designated as an executive Director on 24 April 2015 prior to her resignation on 10 April 2018. Ms. Chew is a director of certain subsidiaries of the Company and is primarily responsible for overseeing the daily operation of the Group's DFD business, including generating and guiding design concepts, and supervising the sales department of the Group's DFD business. Ms. Chew is the spouse of Mr. Leong.

LETTER FROM GUOTAI JUNAN SECURITIES

Ms. Chew has over 28 years of experience in architectural design, and interior design and fit out with most of such experience gained in Hong Kong. Prior to the establishment of the Group, Ms. Chew had developed her career in architectural practices in Australia and Hong Kong. Ms. Chew has worked for the Group for over 20 years since the commencement of business of LCL Architects Limited in 1996. Ms. Chew obtained a Bachelor's Degree in Applied Science (Architectural Science) and a Bachelor's Degree in Architecture in February 1988 and February 1990 respectively from Curtin University of Technology (Western Australia). She has been a member of The Hong Kong Institute of Architects since June 1994. She has also been an Overseas Member Level 1 of the Royal Australian Institute of Architects (formerly known as the Australian Institute of Architects) since April 1994, a Chartered International Member of the Royal Institute of British Architects since March 1995, a registered architect in Hong Kong and an authorised person (architect) in Hong Kong since January 1995.

As at the Latest Practicable Date, Mr. Leong and Ms. Chew are the only directors and the only beneficial owners of the Offeror.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

During the fifteen months ended 31 December 2017, the Group's business segments included three major segments, namely construction and ancillary services, financial services and aviation and traveling services. The Offeror intends, that after the close of the Offer, the Group will continue to operate its existing business, namely construction and ancillary services and aviation and traveling businesses. The financial services business contributed less than 1% of the total revenue of the Group for the fifteen months ended 31 December 2017. A subsidiary of the Company is a corporation licensed under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities (as defined in the SFO), but it has never commenced any business. The Offeror has obtained the approval from the SFC to be a new substantial shareholder of such subsidiary on 24 August 2018, and intends that the Group may commence business in respect of the abovementioned regulated activities.

After the close of the Offer, the Offeror will conduct a detailed review of the financial position and business operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror has not identified such investment or business opportunities.

The Offeror has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment (except for the proposed change of the Board composition as detailed in the section sub-headed "Proposed change to the Board composition" below) or to dispose of or re-allocate the Group's assets other than those in its ordinary course of business.

LETTER FROM GUOTAI JUNAN SECURITIES

PROPOSED CHANGE TO THE BOARD COMPOSITION

The Offeror nominated Ms. Chew and Mr. Shih Steven Chun Ning as new executive Directors, and Mr. Lee Frank King-ting, Mr. Ho Hin Yip and Mr. Chan Kwong Ming Johnny as new independent non-executive Directors. The Board approved such nomination and appointed them as Directors with effect from the earliest time as permitted under the Listing Rules, Takeovers Code and the applicable laws and regulations, which is the date immediately after this Offer Document is posted. Mr. Leong will remain as a Director. It is understood that all existing Directors (other than Mr. Leong) will resign with effect from the day immediately after the Closing Date. Details of Mr. Leong and the new Directors are set out in Appendix II to this Offer Document. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcements will be made as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The directors of the Offeror and the new Directors (whose appointments will be effective from the date of despatch of this Offer Document) have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of the Company will continue to be held by the public at all times.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares.

COMPULSORY ACQUISITIONS

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

GENERAL

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

The attention of the Overseas Shareholders is drawn to the section headed “7. Overseas Shareholders” in Appendix I to this Offer Document.

LETTER FROM GUOTAI JUNAN SECURITIES

No acknowledge of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares will be given.

All documents and remittances will be sent to the Shareholders by ordinary post at their own risk. Such documents and remittances will be sent to the Shareholders at their respective addresses as appeared in the register of members of the Company or in the case of joint Shareholders, to the Shareholder whose name appears first in the said register of members of the Company. None of the Offeror, Guotai Junan Securities, Guotai Junan Capital, the Registrar, or any of their respective directors or professional advisers or any other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

Yours faithfully,
For and on behalf of
Guotai Junan Securities (Hong Kong) Limited
Donny Wong
Executive Director

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong marked "Royal China International Holdings Limited – Offer" on the envelope as soon as possible but in any event so as no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of all or part of your Shares, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer to the Registrar in an envelope marked "Royal China International Holdings Limited – Offer"; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar in an envelope marked "Royal China International Holdings Limited – Offer"; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered in an envelope marked "Royal China International Holdings Limited – Offer" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "Royal China International Holdings Limited – Offer" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Guotai Junan Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive in accordance with the Takeovers Code and the Registrar has recorded that the acceptance and the relevant documents as required by the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other document(s) (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (for example, grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (g) In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by each accepting Shareholder at a rate of 0.1% of the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, or if higher, the market value of Offer Shares as determined by the Collector of Stamp Revenue Under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), and will be deducted from the cash amount payable by the Offeror to such Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant accepting Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive or otherwise in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date.
- (b) The Offeror reserves the right to revise the terms of or extend the Offer after the despatch of this Offer Document until such day as they may determine and in accordance with the Takeovers Code. If the Offeror revises the terms of the Offer, all the Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.
- (c) If the Offer is extended or revised, the Offeror will issue an announcement in relation to any extension or revision of the Offer, which announcement will state either the next closing date (a date not less than fourteen (14) days following the posting of the revised announcement) or, a statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the Offer is closed to those Shareholders who have not accepted the Offer.
- (d) If the Closing Date is extended, any reference in this Offer Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date of the Offer so extended.
- (e) Any acceptance of the relevant revised Offer shall be irrevocable unless and until the Shareholders who accept the Offer become entitled to withdraw their acceptance under the paragraph headed "5. Right of withdrawal" in this Appendix I below and duly do so.

3. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares whose investments are registered in nominee names to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

4. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the Takeovers Code and/or the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended or expired.
- (b) The announcement will state, among other matters, the following:
 - (i) the total number of Offer Shares for which acceptances of the Offer have been received;
 - (ii) the total number of Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period;
 - (iii) the total number of Shares acquired or agreed to be acquired during the Offer Period by the Offeror and parties acting in concert with it;
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
 - (v) the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these relevant numbers.
- (c) In computing the total number of Shares represented by acceptances as of the Closing Date, only valid acceptances in complete and good order and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, which have been received by the Registrar, no later than 4:00 p.m. on the Closing Date, shall be included.
- (d) If the Offeror, the parties acting in concert with it or its advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.
- (e) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

5. RIGHT OF WITHDRAWAL

- (a) As the Offer is unconditional in all respects, acceptances of the Offer shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the following paragraph.
- (b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described in the paragraph headed “4. Announcements” in this Appendix I above, the Executive may require that accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements set out in that section can be met).
- (c) If an accepting Shareholder withdraws the acceptance, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the accompanying Form of Acceptance to the relevant accepting Shareholders.

6. SETTLEMENT OF THE OFFER

Provided that a valid Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares as required by the Takeovers Code are complete and in good order and in all respects and have been received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, a cheque for the amount due to each of the accepting Shareholders, less seller’s ad valorem stamp duty, in respect of the Offer Shares tendered by him/her under the Offer, will be despatched to such Shareholder by ordinary post at his/her own risk as soon as possible but in any event within seven (7) Business Days after the date on which the duly completed and valid acceptances of the Offer and the relevant document(s) of title in respect of such acceptances are received by the Registrar to render each such acceptance complete and valid.

Settlement of the consideration to which any accepting Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect to the payment of seller’s ad valorem stamp duty in respect of the Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.

No fraction of a cent will be payable and the amount of consideration payable to an accepting Shareholder will be rounded up to the nearest cent.

7. OVERSEAS SHAREHOLDERS

The Offeror intends to make the Offer available to all Shareholders, including those who are not residents in Hong Kong. The making and the implementation of the Offer to Shareholders who are citizens or residents or nationals of jurisdiction outside Hong Kong may be subject to the laws of the relevant overseas jurisdictions in which such Shareholders are located. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements and restrictions in their own jurisdictions, and where necessary, seek independent legal advice in respect of the Offer. It is the responsibility of such Overseas Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer to satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental, exchange control or other consent or registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes payable by such accepting Shareholders in such jurisdiction).

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

8. TAX IMPLICATIONS

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, Guotai Junan Securities, Guotai Junan Capital, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection of the Offer.

9. GENERAL

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts (as the case may be), other document(s) of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them, Guotai Junan Securities, Guotai Junan Capital, the Registrar, any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the accompanying Form of Acceptance form part of the terms and conditions of the Offer to which it relates.

- (c) The accidental omission to despatch this Offer Document and/or accompanying Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer and all acceptances are governed by and shall be construed in accordance with the laws of Hong Kong.
- (e) Due execution of a Form of Acceptance will constitute an authority to the Offeror, Guotai Junan Securities or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror or such person or persons as the Offeror may direct, the Shares in respect of which such person or persons has accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and Guotai Junan Securities that (i) the Shares held by the such person or persons are sold to the Offeror free from all Encumbrances and together with all rights accruing or attaching thereto or subsequently becoming attached to them, including, without limitation, the rights to receive all future dividends and/or other distributions declared, paid or made, if any, on or after the date on which the Offer is made, being the date of posting of this Offer Document; and (ii) such person or persons have not taken or omitted to take any action which will or may result in the Offeror, Guotai Junan Securities or any other person acting in concert with it in breach of the legal or regulatory requirements of any territory in connection with the Offer or the acceptance thereof, and is/are permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and that such acceptance is valid and binding in accordance with all applicable laws. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representations and warranties.
- (g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which as indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.
- (h) References to the Offer in this Offer document and in the accompanying Form of Acceptance include any extension or revision thereof.
- (i) In making their decision, Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Offer Document, including any general advice or recommendation contained herein together with the accompanying Form of Acceptance, shall not be construed as legal, business or other advice on the part of the Offeror, its ultimate beneficial owners, the Company, Guotai Junan Securities, Guotai Junan Capital. The Shareholders should consult their own professional advisers for professional advice.

- (j) Unless otherwise expressly stated in this Offer Document and/or the accompanying Form of Acceptance, no one other than the Offeror and the relevant accepting Shareholder may enforce any terms of the contract that will arise on delivery of the relevant Form of Acceptance, duly completed and executed, under the Contracts (Rights of Third Parties) Ordinance, Cap. 623 of the Laws of Hong Kong.

The English texts of this Offer Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts in case of inconsistency.

Executive Directors

Mr. LEONG Hing Loong Rudoff, aged 50, was the co-founder of the Company. He was appointed as a Director on 19 January 2015, and was re-designated as an executive Director on 24 April 2015. Mr. LEONG was also the chairman of the Company since its listing until 10 February 2017, and is primarily responsible for managing business operation and client relationship in the DFD business of the Group.

Mr. LEONG has over 28 years of experience in architectural design, and interior design and fit out with most of such experience gained in Hong Kong. Prior to the establishment of the Group, Mr. LEONG had developed his career in architectural practices in both Australia and Hong Kong. Mr. LEONG has worked for the Group for over 20 years since the commencement of business of LCL Architects Limited in 1996.

Mr. LEONG obtained a Bachelor's Degree in Architecture from the University of Western Australia in Australia in December 1989. He has been a member of The Hong Kong Institute of Architects and an Overseas Member Level 1 of the Royal Australian Institute of Architects (formerly known as the Australian Institute of Architects) since April 1992. He has been a registered architect in Hong Kong since 1992. He was also a Chartered International Member of the Royal Institute of British Architects from 1992 to 2012. He is also currently a Hong Kong authorised person (architect).

Ms. CHEW Christina Mooi Chong, aged 52, was appointed as a Director on 24 April 2015, and was re-designated as an executive Director on 24 April 2015 prior to her resignation on 10 April 2018. Ms. CHEW is directors of certain subsidiaries of the Company and is primarily responsible for overseeing the daily operation of the Group's DFD business, including generating and guiding design concepts, and supervising the sales department of the Group's DFD business. Ms. CHEW is the spouse of Mr. Leong Hing Loong Rudoff, an executive Director of the Company.

Ms. CHEW has over 28 years of experience in architectural design, and interior design and fit out with most of such experience gained in Hong Kong. Prior to the establishment of the Group, Ms. CHEW had developed her career in architectural practices in Australia and Hong Kong. Ms. CHEW has worked for the Group for over 20 years since the commencement of business of LCL Architects Limited in 1996. Ms. CHEW obtained a Bachelor's Degree in Applied Science (Architectural Science) and a Bachelor's Degree in Architecture in February 1988 and February 1990 respectively from Curtin University of Technology (Western Australia). She has been a member of The Hong Kong Institute of Architects since June 1994. She has also been an Overseas Member Level 1 of the Royal Australian Institute of Architects (formerly known as the Australian Institute of Architects) since April 1994, a Chartered International Member of the Royal Institute of British Architects since March 1995, a registered architect in Hong Kong and an authorised person (architect) in Hong Kong since January 1995.

Mr. SHIH Steven Chun Ning, aged 54, has rejoined as the general manager of LCL Architects Limited, an indirect wholly subsidiary of the Company which engages in DFD since July 2017. He is mainly responsible for business development for the Group in the PRC, managing client relationship and exploring new business opportunities of DFD. He also coordinates drafting services for the Group. Mr. SHIH joined the Group in 2011 to develop the Group's DFD business in Hong Kong and the PRC and later provided drafting work service to the Group. He was appointed as a Director on 24 April 2015, and was re-designated as an executive Director on 24 April 2015 and resigned on 10 February 2017. Mr. SHIH has over 10 years of banking experience with a number of investment banks in Hong Kong from 1988 to 1999. Mr. SHIH left the banking field in 1999 and invested a majority stake in a listed company that was principally engaged in the telephone handset design and manufacturing in July 1999 which was formerly listed on the Stock Exchange and he became the chairman in September 1999. He later disposed of his shareholding interests of that company in 2000. He is currently a director of each of Tung Mei Design (H.K.) Holding Co. Limited ("TM Design") and 深圳市美刻設計工程有限公司 (Shenzhen Meike Design and Construction Company Limited*) ("SZ Meike"), and a 50% shareholder of TM Design and a legal representative of SZ Meike. TM Design and SZ Meike are principally engaged in providing design and fit out work for retail shops and a number of commercial offices, and providing drafting services, respectively. The business of TM Design and SZ Meike may compete with business of the Group and the potential competing interests have been disclosed in the section headed "Directors and Senior Management – Potential Competing Interests" in the prospectus of the Company dated 21 August 2015. Mr. SHIH obtained his Bachelor's degree in Science from the University of British Columbia in 1986 and his Master's degree in Business Administration from the same university in 1988.

Independent non-executive Directors

Mr. LEE Frank King-ting, aged 61, has over 12 years of experience in production, design, test, product management and marketing in the specialised industry of digital telecommunication semiconductors/integrated circuits. He joined Tom Lee Music Company Limited as a Director in April 1994. He is currently the president and a director of Tom Lee Music Co., Ltd. in Hong Kong as well as a director of Tom Lee Music Foundation Limited. He had been appointed as an independent non-executive Director of the Company from 13 August 2015 to 10 February 2017. Mr. LEE graduated from the Faculty of Electrical Engineering at the University of British Columbia in Canada in May 1979. He was previously a member of the Consumer Council, Chairman of the Board of Trustees of the Hong Kong Jockey Club Music and Dance Fund, Member of the Telecommunications (Competition Provisions) Appeal Board, President of the Rotary Club of Kowloon, Chairman of Hong Kong General Chamber of Commerce Retail & Tourism Committee, appointed member of the Quality Tourism Services Association Governing Council, a member of the eleventh Zhejiang Provincial Committee of the Chinese People's Political Consultative Conference. At present, his major public services are a member of the Advisory Committee on Arts Development, a member of Hong Kong General Chamber of Commerce Retail & Tourism Committee, an adviser of the Quality Tourism Services Association Governing Council, a member of the council of the Hong Kong Academy for Performing Arts.

* For identification purposes only

Mr. HO Hin Yip, aged 44, has more than 20 years of financial and auditing experience. Since April 2012, he is the financial controller and joint company secretary of Dukang Distillers Holdings Limited (stock code: BKV), a company listed on the Singapore Exchange Limited, where he is responsible for the finance and accounting functions, statutory compliance and corporate governance affairs. He had been appointed as an independent non-executive Director of the Company from 13 August 2015 to 10 February 2017. He was also appointed as an independent non-executive director of each of China Ever Grand Financial Leasing Group Co., Ltd (formerly known as PME Group Limited) (stock code: 379), Xinhua News Media Holdings Limited (stock code: 309), and Jiyi Household International Holdings Limited (stock code: 1495), all are companies listed on the Main Board of the Stock Exchange, since December 2012, December 2014 and October 2015 respectively. Mr. HO received his bachelor's degree in business administration from the Chinese University of Hong Kong in December 1997. He was admitted as a member and a fellow member of The Association of Chartered Certified Accountants in August 2000 and August 2005, respectively. He is registered as a certified public accountant (Practising) of the Hong Kong Institute of Certified Public Accountants.

Mr. CHAN Kwong Ming Johnny, aged 47, has founded Titan Works Limited. He received his Bachelor of Arts degree from the University of Toronto in 1994. He is serving as Founding member and a Director of University of Toronto (HK) Foundation since 1996. He was elected as Standing Director of Hong Kong Chinese General Chamber of Commerce and appointed as Chairman of External Affairs Committee in year 2016. He had been appointed as part-time member from January 2009 to December 2010 and associate member from February 2014 to June 2017 of Central Policy Unit of the HKSAR Government. He had been appointed a member of sub-committee on promotion of corporate volunteering of Social Welfare Department the HKSAR Government from April 2012 to March 2014 and from April 2016 to March 2018.

1. RESPONSIBILITY STATEMENT

This Offer Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information to the Shareholders with regard to the Offeror and the Offer.

The directors of the Offeror (namely, Mr. Leong and Ms. Chew) accept full responsibility for the accuracy of the information contained in this Offer Document, and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement contained in this Offer Document misleading.

The information relating to the Group in this Offer Document has been extracted from or based on the publicly available information of the Group. The only responsibility accepted by the Offeror and its directors in respect of such information is for the correctness and fairness of the extraction of such information and/or its reproduction or presentation.

2. MARKET PRICES

The table below shows, based on the publicly available information of the Company, the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share (HK\$)
2018	
28 February 2018	1.01
29 March 2018	0.92
30 April 2018	0.94
31 May 2018	1.1
29 June 2018	0.96
20 July 2018 (Last Trading Day, also the last day on which trading of the Shares took place in July 2018)	0.89
24 August 2018 (Latest Practicable Date)	0.92

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.44 per Share on 5 February 2018 and HK\$0.75 per Share on 18 April 2018.

3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the Offeror holds 375,000,000 Shares, representing approximately 75% of the entire issued share capital of the Company. Save for the aforesaid and the charge of the Sale Shares and Offer Shares under the Facility, the Offeror and parties acting in concert with it do not own, control or have direction over any voting rights in any Shares nor own, control or have direction over any other rights or interests in the issued share capital or voting rights of the Company. Save for the acquisition of Sale Shares under the Sale and Purchase Agreement, none of the Offeror, its directors and parties acting in concert with any of them had dealt for value in any relevant securities as defined in Note 4 to Rule 22 of the Takeovers Code of the Company during the Relevant Period.

Save as disclosed in this paragraph 3,

- (a) as at the Latest Practicable Date, save for the charge of the Sale Shares and Offer Shares under the Facility, no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Offeror or any parties acting in concert with it and any other person;
- (b) as at the Latest Practicable Date, save for the Sale and Purchase Agreement and the charge of the Sale Shares and Offer Shares under the Facility, no arrangement of any kind referred to in Note 8 to Rule 22 of the Takeovers Code exists between a person who owned or controlled Shares or convertible securities, warrants, options or derivatives of the Company and the Offeror or any parties acting in concert with it or the Offeror's associates (as defined under the Takeovers Code); and
- (c) as at the Latest Practicable Date, none of the Offeror and any party acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

4. ARRANGEMENTS IN CONNECTION WITH THE OFFER

As at the Latest Practicable Date:

- (i) there was no agreement or arrangement to which the Offeror or any of Mr. Leong and Ms. Chew is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (ii) the Offeror and the parties acting in concert with it had not received any irrevocable commitment to accept or reject the Offer;
- (iii) the Offeror has deposited the Sale Shares, and shall deposit all the Offer Shares or Shares acquired by it to a securities account maintained in Guotai Junan Securities as security for the Facility. Save as disclosed, the Offeror and parties acting in concert with it had no agreement, arrangement or understanding to transfer, charge or pledge any of the Offer Shares acquired pursuant to the Offeror to any other persons;

- (iv) save for Mr. Leong in his capacity as one of the Directors, no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror or any person acting in concert with it and any of the Directors, recent Directors, and Shareholders or recent Shareholders which had any connection with or dependent upon the Offer; and
- (v) no benefit (other than statutory compensation required under the applicable laws) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer.

5. CONSENTS AND QUALIFICATIONS

The followings are the qualifications of the experts whose letters or opinions or advices are contained in this Offer Document:

Name	Qualification
Guotai Junan Securities	A licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
Guotai Junan Capital	A licensed corporation to carry on type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, save for Guotai Junan Securities' interests in the Shares charged to it under the Facility, neither Guotai Junan Capital nor Guotai Junan Securities had any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of Guotai Junan Securities and Guotai Junan Capital has given and has not withdrawn their respective written consents to the issue of this Offer Document with the inclusion of their respective letter, report and/or references to their respective name in the form and context in which they appear respectively.

6. GENERAL

- (a) The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (b) The Offeror is a company incorporated in the British Virgin Islands on 10 November 2014 with limited liability which is owned by Mr. Leong and Ms. Chew as to 75% and 25% respectively. The principal activity of the Offeror is investment holding.
- (c) As at the date of this Offer Document, the directors of the Offeror are Mr. Leong and Ms. Chew.
- (d) The principal members of the Offeror's concert parties include the Offeror, Mr. Leong and Ms. Chew.

- (e) The correspondence address of Mr. Leong (who is a director and one of the beneficial owners of the Offeror) is Flat D, 1/F Hatton Place, 1A Po Shan Road, Mid-levels, Hong Kong.
- (f) The correspondence address of Ms. Chew (who is a director and one of the beneficial owners of the Offeror) is Unit D, 2/F, Hatton Place, No. 1A Po Shan Road, Mid-Levels, Hong Kong.
- (g) The registered and correspondence office address of Guotai Junan Capital is 28/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong.
- (h) The registered and correspondence office address of Guotai Junan Securities is situated at 28/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on the SFC's website at <http://www.sfc.hk>; the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.royalchina.hk/> from the date of this Offer Document for as long as the Offer remains open for acceptance:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter of consents from Guotai Junan Capital and Guotai Junan Securities referred to in the paragraph headed "Consents and qualifications" in this Appendix; and
- (c) the letter from Guotai Junan Securities, the text of which is set out on pages 5 to 11 of this Offer Document.