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皇中國際控股有限公司

ROYAL CHINA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1683)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION FRAMEWORK AGREEMENT

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Royal China International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, on 7 July 2017 (after trading hours of The Stock Exchange of Hong Kong Limited), Smart Empire Global Limited (“**Smart Empire**”), an indirect wholly-owned subsidiary of the Company, and BAA Jet Management Limited (“**BAA**”) entered into a non-legally binding strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”).

Pursuant to the Strategic Cooperation Framework Agreement, the parties agreed, among other things the following:

- (i) The parties will inject capital (the “**Possible Capital Injection**”) into Himalaya Business Aviation Limited (“**HBA**”), an indirect wholly-owned subsidiary of the Company. The total amount to be contributed by the parties to HBA will be approximately HK\$10 million and in the form of equity interest. The shareholding structure of HBA will be determined in proportion to the amount to be contributed by the parties.
- (ii) The parties intend to build HBA as a high ended operator in business jet management service and explore market opportunities in business jet management business.

The Strategic Cooperation Framework Agreement does not constitute the parties’ legally binding obligations. The transaction, if materialized, may constitute a notifiable transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Further announcement(s) will be made by the Company in accordance with the requirements under the Listing Rules as and when appropriate.

INFORMATION ON HBA

HBA, a company incorporated in Hong Kong with limited liability, is an indirect wholly-owned subsidiary of the Company and is principally engaged in business jet management business.

INFORMATION ON BAA

BAA, is a top business jet management company in PRC, is mainly engaged in business jet management business, providing service to customers including flight scheduling, aircraft maintenance and crew management. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, BAA and its ultimate beneficial owners are third parties independent of the Company and its connected persons (has the meaning ascribed to it under the Listing Rules) and not otherwise connected persons of the Company.

REASONS FOR THE ENTERING INTO STRATEGIC COOPERATION FRAMEWORK AGREEMENT

As disclosed in the announcement of the Company dated 9 May 2017, the Board has decided to explore business opportunities in aviation and traveling business and financing services. The aviation and travel business includes but not limited to business jet management, service of aircraft sales and pilot training service. BAA has extensive experience in the business jet management business. The Directors expect that the strategic cooperation with BAA will not only speed up the expansion of the business jet management business of the Group, but will also enhance the credibility of HBA and can attract more new clients.

The Board considers that, with extensive experience of BAA, the cooperation with BAA will bring in a positive outlook to the business jet management business and therefore is in the interest of the Company and its shareholders as a whole.

GENERAL

The Board wishes to emphasize that Strategic Cooperation Framework Agreement is not legally binding and the transactions contemplated thereunder, including the Possible Capital Injection, may or may not proceed. Further, the Strategic Cooperation Framework Agreement and the Possible Capital Injection are subject to, among other things, the entering into of legally binding agreements, the terms of which are yet to be finalized. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Royal China International Holdings Limited
Chairman
DENG Kui

Hong Kong, 7 July 2017

As at the date of this announcement, the Company's board of directors comprises Mr. DENG Kui, Mr. LIU Yong Sheng, Mr. ZHOU Hucheng, Mr. LEONG Hing Loong Rudoff and Ms. CHEW Christina Mooi Chong as executive Directors; and Mr. LIU Gang, Mr. YU Haizong and Ms. AN Yiqing as independent non-executive Directors.