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**ROYAL CHINA INTERNATIONAL HOLDINGS LIMITED**

**皇中國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1683)**

**CLARIFICATION ANNOUNCEMENT**

**DISCLOSEABLE TRANSACTION RELATING TO THE ACQUISITION OF  
ORDINARY MEMBERSHIP OF CGSE**

Reference is made to the announcement of Royal China International Holdings Limited (the “**Company**”) dated 9 May 2017 relating to the acquisition of the Membership (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless the context requires otherwise.

The Board clarifies that the Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser having considered, among other things, the quotations on price of ordinary memberships of CGSE provided by agents and information regarding historical pricing obtained by the Company.

By order of the Board.

**Royal China International Holdings Limited**

**LIU Yong Sheng**

*Chairman and Chief Executive Officer*

Hong Kong, 15 May 2017

*As at the date of this announcement, the Company’s board of directors comprises 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.*