

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its 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 document.



ROYALE FURNITURE HOLDINGS LIMITED

皇朝傢俬控股有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1198)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on preliminary operating data available to management, and further to the Company's announcement dated 16 October 2012, the Group's sales had undergone deterioration in October 2012 when compared with that of the third quarter of 2012.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

The announcement is made by Royale Furniture Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to the Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

In the Company's announcement dated 16 October 2012, the board of directors (the "Board") of the Company stated its belief that the sales in the third quarter of 2012 might have decreased at a lower rate compared with the first half of 2012. The Board wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that whilst the Group's sales in the third quarter of 2012 might have decreased at a lower rate compared with the first half of 2012, based on

the preliminary operating data available to management, the Group's sales had undergone deterioration in October 2012 when compared with that of the third quarter of 2012. Based on preliminary assessment by the Board in accordance with such data, it appears that the Group's operating performance in the fourth quarter of 2012 might reflect a decline as compared with that in the third quarter of 2012. In the event the abovementioned trend persists or even deteriorates further, the Group's operating performance for the second half of 2012 might be worsened as compared with that in the first half of 2012. Such outcome, if materialized, would deviate from the Board's belief as referred to in the announcement dated 16 October 2012 issued by the Company, barring unforeseen circumstances, that the operating performance of the Group in the second half of 2012 might improve from the first half of the year.

Based on the aforesaid and the Group's unaudited interim results for the six months ended 30 June 2012, the consolidated operating results of the Group attributable to the Shareholders for the year ending 31 December 2012 are expected to reflect an overall decline when compared with the year ended 31 December 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Royale Furniture Holdings Limited
Tse Kam Pang
Chairman

Hong Kong, 18 November 2012

As at the date of this announcement, the Board comprises five Executive Directors, namely, Mr. Tse Kam Pang, Mr. Chang Chu Fai Johnson Francis, Mr. Zeng Lejin, Mr. Lam Toi and Mr Tse Wun Cheung; three Independent Non-Executive Directors, namely, Dr. Donald H. Straszheim, Mr. Lau Chi Kit and Mr. Yue Man Yiu Matthew.

** For identification purposes only*