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ROYALE FURNITURE HOLDINGS LIMITED
皇 朝 傢 俬 控 股 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1198)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Group, it is expected that the Group will record an unaudited consolidated net profit for the six months ended 30 June 2016 as opposed to an unaudited consolidated net loss of HK$95 million for the corresponding period in 2015.

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

This announcement is made by Royale Furniture Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

* *For identification purposes only*

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information currently available to the Group, it is expected that the Group will record an unaudited consolidated net profit for the six months ended 30 June 2016 as opposed to an unaudited consolidated net loss of HK$95 million for the corresponding period in 2015. The expected turnaround from loss to profit of the Group for the first half of the year is mainly attributable to the profits and gains derived from higher profit margins regarding our new products and the reduction of losses caused by the operation of self-operating stores.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available to the Group, which has not been reviewed by or discussed with the auditors of the Company and that the actual results of the Group for the six months ended 30 June 2016 may be different from what is disclosed in this announcement. The interim results announcement of the Company for the six months ended 30 June 2016 is expected to be released in August 2016.

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

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

Hong Kong, 7 July 2016

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Tse Kam Pang, Mr. Chen Hao, Mr. Tse Hok Kan and Mr. Chan Wing Kit; and three Independent Non-Executive Directors, namely, Dr. Donald H. Straszheim, Mr. Lau Chi Kit and Mr. Yue Man Yiu Matthew.