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 Securities and Futures Ordinance.

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 a consolidated net profit for the year ended 31 December 2016 as compared to a consolidated net loss of approximately HK$112.50 million for the year ended 31 December 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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

* *For identification purpose only*

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Company is in the course of preparing its annual results for the year ended 31 December 2016. Based on currently available information, the Group is expected to record a consolidated profit for the year ended 31 December 2016, as compared to a consolidated net loss of approximately HK$112.50 million for the year ended 31 December 2015. The reasons for resuming profit were mainly attributable to the following factors:

(i) increase in sales; and

(ii) reduction in loss for the retail operations.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2016. The anticipated consolidated profit for the year ended 31 December 2016 is only based on the preliminary assessment by the Board, with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 and other information currently available to the Group which have not been reviewed or audited by the auditors of the Company. The audited final results of the Group for the year ended 31 December 2016 are expected to be released in March 2017.

Shareholders 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, 1 February 2017

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.