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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)

PROFIT WARNING

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

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review by the Board on the latest unaudited management accounts of the Group, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and taking into consideration of the information currently available to the Board, for the six months ending 30 June 2020 the Group is likely to record a significant loss attributable to owners of the parent as compared with a profit attributable to owners of the parent of HK$12,657,000 for the corresponding period of the previous year. The revenue of the Group is also likely to decline significantly as compared with that for the corresponding period of the previous year.

The Board believes that the expected decrease in revenue and expected significant loss are primarily attributable to the decrease in revenue from sale of furniture of the Group as affected by the market condition with negative sentiment in the durable goods consumption sector, supervisory policies and measures introduced by the government due to the outbreak of the COVID-19 epidemic.

As the Company has not yet obtained the consolidated financial results of the Group for the six months ending 30 June 2020, the information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited management accounts of the Group for the four months ended 30

April 2020, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. The actual financial results of the Group for the six months ending 30 June 2020 may differ from what is disclosed in this announcement.

Shareholders and potential investors are advised to read carefully about the announcement of the Company for the interim results for the six months ending 30 June 2020, which is expected to be published in August 2020 in accordance with the requirements of the Listing Rules.

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 and Executive Director

Hong Kong, 11 May 2020

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Tse Kam Pang (Chairman) and Mr. Yang Jun; four non-executive Directors, namely, Mr. Wu Zhongming, Mr. Wu Dingliang, Ms. Qin You and Mr. Liu Zhijun; and three independent non-executive Directors, namely, Mr. Lau Chi Kit, Mr. Yue Man Yiu Matthew and Mr. Chan Wing Tak Kevin.

* *for identification purpose only*