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ROYAL DELUXE HOLDINGS LIMITED
御佳控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3789)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

Reference is made to the annual results announcement for the year ended 31 March 2020 (the "**Announcement**") of Royal Deluxe Holdings Limited (the "**Company**") dated 26 June 2020. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The board (the "**Board**") of directors (the "**Directors**") of the Company noted that there were certain inadvertent clerical errors in the Announcement. Due to the adoption of HKFRS 16 "Leases", the leasehold land under operating leases of the Group should be reclassified from property, plant and equipment to right-of-use assets for presentation purpose. In this connection, the Company wishes to clarify, amend and supplement as follows in the Announcement:

(1) Reclassification on consolidated statement of financial position

	Revised annual results	Annual results announced on 26 June 2020
	HK$'000	*HK$'000*
Non-current assets		
Property, plant and equipment	37,527	74,304
Right-of-use assets	40,596	3,819

(2) Reclassification on notes to the consolidated financial statements

7. Profit before tax

	Revised annual results *HK$'000*	**Annual results announced on 26 June 2020** *HK$'000*
Depreciation of property, plant and equipment	3,863	5,212
Depreciation of right-of-use assets	2,440	1,091

(3) Clarification of the following amounts disclosed in Note 7 in the annual results announced on 26 June 2020

a. In Note (ii), depreciation of property, plant and equipment charged to administration and other operating expenses during the year ended 31 March 2020 shall be HK$2,447,000.

b. Adding the following Note (iii):

(iii) During the year ended 31 March 2020, depreciation of right-of-use assets of approximately HK$1,091,000 was charged to direct costs and approximately HK$1,349,000 was charged to administration and other operating expenses.

(4) Effect of the adoption of HKFRS 16 as at 1 April 2019 as follows shall be added to the end of Note 2 in the annual results announced on 26 June 2020

Upon the adoption of HKFRS 16 at 1 April 2019, the Group reclassified leasehold land under operating leases from property, plant and equipment to right-of-use assets for presentation purpose.

The recognised right-of-use assets relate to the following type of asset:

	1 April 2019 *HK$'000*
Leasehold land	38,126

Changes in accounting policies affected the following items in the consolidated statement of financial position on 1 April 2019. Line items that were not affected by the change have not been included.

	31 March 2019	Effects of the adoption of HKFRS 16	1 April 2019
	HK$'000	*HK$'000*	HK$'000
Non-current assets			
Property, plant and equipment	59,976	(38,126)	21,850
Right-of-use assets	–	38,126	38,126

(5) Clarification on the amounts disclosed in the paragraph under the section of "RIGHT-OF-USE ASSETS AND LEASE LIABILITIES" on page 19 in the annual results announced on 26 June 2020

During the Financial Year 2020, the Group's depreciation of right-of-use assets were amounted to approximately HK$2.4 million.

Save for the clarification stated in this announcement, all information in the Announcement remains unchanged.

PUBLICATION OF THE 2020 ANNUAL REPORT

The Board expects that the annual report of the Company for the Financial Year 2020 ("**2020 Annual Report**") will be despatched to the shareholders of the Company and published on the website of the Stock Exchange at www.hkexnews.hk and website of the Company at www.royal-deluxe.com on or before 20 July 2020. Shareholders and potential investors are advised to read the 2020 Annual Report when it is published.

By order of the Board
Royal Deluxe Holdings Limited
Wang Kei Ming
Chairman and Executive Director

Hong Kong, 10 July 2020

As at the date of this announcement, the Board comprises Mr. Wang Kei Ming and Mr. Wang Yu Hin as executive Directors; and Mr. Kwong Ping Man, Mr. Lai Ah Ming Leon and Mr. Sio Kam Seng as independent non-executive Directors.