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ROYALE HOME HOLDINGS LIMITED

皇朝家居控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1198)

MAJOR TRANSACTION PROPOSED FORMATION OF JOINT VENTURE IN RELATION TO ACQUISITION OF LAND BY WAY OF PUBLIC AUCTION

THE JV AGREEMENT

Reference is made to the announcement of the Company dated 25 August 2020 in relation to a custodian agreement entered into between amongst others, Guangzhou Yufa Furniture Co., Ltd.* (廣州裕發家具有限公司), an indirect wholly-owned subsidiary of the Company, and an independent third party property developer, pursuant to which the parties' had formed an initial intention of establishing a joint venture for the specific purpose of participating in the bidding of the Target Land Parcel by way of public auction.

On 27 October 2020, Wanlibao entered into the JV Agreement with the JV Partner pursuant to which the Parties have agreed to establish the JV in the PRC for the purpose of acquiring the Target Land Parcel by way of the Bidding at the Public Auction and potential subsequent development. The nature and scope of business of the JV may only be changed upon unanimous consent of the Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the JV Agreement and the transactions contemplated thereunder exceed 25%, but all are less than 100%, the JV Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Under Rule 14.44 of the Listing Rules, written shareholders' approval for the JV Agreement and the transactions contemplated thereunder may be obtained by way of shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transactions; and (b) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transactions.

The Company has obtained written approvals for the JV Agreement and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising SCHK, Mr. Tse and his wholly owned companies including Leading Star, Crisana and Charming Future, who are beneficially interested in an aggregate of 2,095,991,280 Shares (representing approximately 80.66% of the entire issued share capital of the Company) as at the date of this announcement. SCHK, Mr. Tse and his wholly owned companies including Leading Star, Crisana and Charming Future are parties acting in concert pursuant to the Concert Group Agreement and thus are a closely allied group of Shareholders.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the JV Agreement and the transactions contemplated thereunder; and therefore none of them is required to abstain from voting if the Company were to convene a general meeting for the approval of the JV Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for the approval of the JV Agreement and the transactions contemplated thereunder as is permitted under Rule 14.44 of the Listing Rules.

GENERAL

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) the details of the JV Agreement and the transactions contemplated thereunder; and (ii) other information required to be included in the circular under the requirements of the Listing Rules will be despatched on or before 24 December 2020 as additional time is required for the Company to prepare and finalise certain information relating to indebtedness statements and working capital sufficiency for inclusion in the circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the delay in despatch of the circular.

INTRODUCTION

Reference is made to the announcement of the Company dated 25 August 2020 in relation to a custodian agreement entered into between amongst others, Guangzhou Yufa Furniture Co., Ltd.* (廣州裕發家具有限公司), an indirect wholly-owned subsidiary of the Company, and an independent third party property developer, pursuant to which the parties' had formed an initial intention of establishing a joint venture for the specific purpose of participating in the bidding of the Target Land Parcel by way of public auction.

On 27 October 2020, Wanlibao entered into the JV Agreement with the JV Partner, pursuant to which the Parties have agreed to establish the JV in the PRC for the purpose of acquiring the Target Land Parcel by way of the Bidding at the Public Auction and potential subsequent development. The nature and scope of business of the JV may only be changed upon unanimous consent of the Parties.

THE JV AGREEMENT

The principal terms of the JV Agreement are set out as follows:

Date

27 October 2020

Parties

1. Wanlibao; and
2. the JV Partner

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the JV Partner and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Formation of the JV

The Parties have agreed to establish the JV in the PRC for the purpose of acquiring the Target Land Parcel by way of the Bidding at the Public Auction. The equity interest of the JV will be owned as to 60% by the JV Partner and as to 40% by Wanlibao.

Public Auction

Deposit

The deposit for the Public Auction (the “**Deposit**”) is estimated to be RMB766 million (subject to the actual deposit amount to be announced in the official tender documents), which shall be contributed by Wanlibao and the JV Partner according to their respective shareholding proportion in the JV (i.e. Wanlibao and the JV Partner are expected to contribute RMB306.4 million and RMB459.6 million respectively). Wanlibao and the JV Partner shall pay their respective portions of the Deposit to an account of the JV before the time limit specified in the tender documents. The JV will then pay the Deposit to the relevant government and land exchange authority(ies).

Bid Price

The Parties shall, on or before the day immediately preceding the commencement date of the online bidding session of the Public Auction, agree in writing on the maximum bid price (the “**Maximum Bid Price**”) to be paid by the JV for the Bidding at the Public Auction. In the event that the Parties are unable to reach an agreement on the Maximum Bid Price, each of the Parties shall bring along with them on the day of the Public Auction a bid price duly authorised by their respective groups, and the lower of which will be the final bid price (the “**Final Bid Price**”).

The following mechanism shall apply when any of the Parties (the “**Bidding Party**”) has successfully acquired, in the name of the JV, the Target Land Parcel through the Public Auction at a price exceeding the Final Bid Price/Maximum Bid Price (the “**Actual Bid Price**”):

- (a) The other Party (the “**Discontinuing Party**”) shall, within three (3) business days, inform the Bidding Party in writing whether it elects to terminate the cooperation under the JV Agreement (the “**Notice**”). If the Discontinuing Party elects to continue with the cooperation under the JV Agreement, the JV Agreement shall remain effective and the Parties shall bear the Price Difference and the relevant tax and fees in proportion to their respective shareholdings in the JV. If the Discontinuing Party elects otherwise or fails to give the Notice, the Discontinuing Party shall be deemed to have withdrawn from the cooperation under the JV Agreement.
- (b) In the event that the Bidding Party forebears the Target Land Parcel after the successful Bidding, the Bidding Party shall be accountable for all obligations and losses arising therefrom (including the loss on the Deposit) and damages of the Discontinuing Party.
- (c) The Discontinuing Party shall have no rights in and bear no obligations of the JV upon the date on which the Discontinuing Party withdraws from the cooperation under the JV Agreement, but shall cooperate with the Bidding Party in respect of actions to be taken by the JV for the purpose of the successful acquisition of the Target Land Parcel, including the followings:
 - (i) return all documents, information and jointly controlled properties to the JV and assist in the execution of relevant land transfer and ancillary documents. However, the obligation to pay the acquisition price of the Target Land Parcel and relevant tax and expenses shall be borne solely by the Bidding Party.

- (ii) ensure its equity interest in the JV not being subject to any securities, freezing orders, confiscation or encumbrances, until such equity interest is transferred to the Bidding Party or its designated nominee. Within 15 business days from the JV obtaining a transfer confirmation in respect of the Target Land Parcel, the Discontinuing Party shall (i) transfer all of its equity interest in the JV at cost (i.e. the amount of paid up capital of the JV actually contributed by the Discontinuing Party) to the Bidding Party or its designated nominee and (ii) assist in the completion of business registration for change of shareholder(s) and other relevant procedures. Within three (3) business days from the completion of the business registration for change of shareholder(s), all funds paid by the Discontinuing Party to the JV, including costs actually incurred such as the Deposit and shareholders' loan (if any) shall be refunded to the Discontinuing Party.

Unsuccessful Bidding

The JV Agreement provides that the JV Agreement shall terminate, and shall be of no further effect and impose no further obligations on the Parties in the event of an unsuccessful Bidding at the Public Auction. The JV shall return to the Parties a sum constituting the Deposit actually paid by each of them within one (1) business days after the Deposit is returned by the relevant government and land exchange authority(ies).

Capital contribution

The registered capital of the JV will initially be RMB10,000,000, to be contributed by the JV Partner and Wanlibao in the following proportion:

	Initial capital contribution (RMB)	Percentage of equity interest in the JV
The JV Partner	6,000,000	60%
Wanlibao	4,000,000	40%

The Parties agreed that upon the successful Bidding of the Target Land Parcel at the Public Auction, the registered capital of the JV shall be increased to an amount no less than 50% of the bid-winning price of the Target Land Parcel. The additional registered capital of the JV shall be paid up in accordance with the payment timetable stipulated in the tender documents. The actual paid up registered capital amount and the relevant payment arrangement are to be separately negotiated and confirmed by the Parties.

The amount of total capital contributions estimated to be made by Wanlibao in respect of the Bidding of the Target Land Parcel under the JV Agreement represents 40% (i.e. the shareholding percentage of Wanlibao in the JV) of the indicative bid-price of the Target Land Parcel for the Bidding at the Public Auction. The Directors consider that the amount of capital contributions for the Bidding of the Target Land Parcel (including the Deposit) to be made to the JV by the Group under the JV Agreement were determined after arm's length negotiation between the Parties with reference to the estimated initial capital requirements of the JV for the Bidding, the indicative bid-price of the Target Land Parcel of about RMB3,830,000,000, the proportion of equity interest of the Group in the JV (i.e. 40%), and the expected base price of the Target Land Parcel at the Public Auction.

The Group will closely monitor the development of the Public Auction in respect of the Target Land Parcel under the JV Agreement. As internal control measures, the Group will not:

- (i) acquire the Target Land Parcel (in the name of the JV) through the Public Auction at a price exceeding the Final Bid Price/Maximum Bid Price; or
- (ii) elect to continue with the cooperation under the JV Agreement as the Discontinuing Party;

if it would lead to the maximum total contribution from the Group to the JV for the acquisition of the Target Land Parcel exceeding a predetermined price limit.

The Company will comply with any additional requirements under Chapters 14 and 14A of the Listing Rules and keep the Shareholders and potential investors of the Company informed in relation to the result of the Bidding and the JV as and when appropriate.

The Group expects to fund its capital contribution under the JV Agreement by its internal resources, bank financing and/or other loan financing. As disclosed in the Land Resumptions Disclosures, the Group expects to recognise a gain of approximately RMB1,306,184,000 upon the completion of the Land Resumptions.

Participation in the development of the project

Upon the successful acquisition of the Target Land Parcel by the JV, Wanlibao may within three (3) business days therefrom notify whether to participate in the development of the Target Land Parcel. If Wanlibao does not participate in the development project in relation to the Target Land Parcel, the JV Partner agreed to acquire all of the equity interest in the JV held by Wanlibao at cost (i.e. the amount of paid up capital of the JV actually contributed by Wanlibao). The JV shall refund all funds paid by Wanlibao to the JV, including costs actually incurred.

Management of the JV

All certificates, licenses, agreements, invoices, seals, information and legal documents of the JV are to be held in the joint custody of the Parties at the registered address of the JV in accordance with the JV Agreement.

The decisions made by resolution(s) of a shareholders' meeting of the JV shall be supreme, such decisions shall be made by a vote of simple majority of the voting rights of the JV Company (represented by amount of registered capital).

The board of directors of the JV will consist of five (5) directors. The JV Partner shall nominate three (3) directors and Wanlibao shall nominate two (2) directors. The chairman of the board of directors of the JV shall be a director nominated by Wanlibao. The decisions of the board of directors of the JV shall be by a vote of simple majority of the directors of the JV.

The JV Partner shall nominate the general manager of the JV, who shall also be the legal representative of the JV.

The JV Partner shall be in charge of the operational management of the development of the Target Land Parcel, including project planning and design, construction management, operational management, marketing management and property management. Wanlibao shall be responsible for filings and reporting, cost control and contractors tender arrangement.

Fund raising

The Parties shall be responsible for project financings for the purpose of the acquisition and/or development of the Target Land Parcel in accordance with their respective proportion of shareholding in the JV. The financing needs of the JV shall be predominantly satisfied by external financing to be arranged by the JV.

The Company will comply with any additional requirements under Chapters 14 and 14A of the Listing Rules and keep the Shareholders and potential investors of the Company informed in relation to the JV and the development of the Target Land Parcel (including any additional commitments) as and when appropriate.

Distributions

Any Surplus Funds of the JV may be shared by the JV Partner and Wanlibao in proportion to their respective equity interests in the JV.

INFORMATION OF THE TARGET LAND PARCEL

The Target Land Parcel comprises of one piece of land with a total land area of approximately 196,435.11 square metres located at Hengling Village, Shitan Town, Zengcheng District, Guangzhou* (廣州市增城區石灘鎮橫嶺村), the PRC.

Pursuant to the “Reply Letter relating to the Urban Planning Conditions of the Land for Development of 294.653 Mu (畝) located at Hengling Village, Shitan Town, Zengcheng District”* (《關於增城區石灘鎮橫嶺村294.653畝建設用地規劃條件的復函》), the following are the major economic and technical indicators of the Target Land Parcel:

Total land area	:	196,435.11 square metres
Land use	:	Residential (and commercial) uses, with not more than 19,447.08 square metres for commercial use
Total construction area	:	Not exceeding 589,305.33 square metres
Plot ratio	:	Not exceeding 3.0
Building density	:	Not exceeding 30%
Green ratio	:	Not less than 30%
Building height limit	:	Not exceeding 120 metres

The Parties agreed that the exact location, land use and term of the Target Land Parcel shall be subject to the provisions of the final state-owned land use right transfer agreement, and the Parties may enter into further negotiation in the event that the major economic and technical indicators above are adjusted upon the listing of the Target Land Parcel for the Public Auction.

Reference is made to the Land Resumptions Disclosures and the announcement of the Company dated 25 August 2020, the Resumed Land Parcels with a total land area of 187,575.8 square metres will form a substantial part of the Target Land Parcel.

FINANCIAL EFFECTS

Upon establishment of the JV, the JV Partner will control 60% of the voting rights in the shareholders’ meetings of the JV and therefore the JV will become a subsidiary of the JV Partner. As a result, the financial results of the JV will not be consolidated into the financial statements of the Group. The profits/losses after taxation in respect of JV shall be shared by JV partner and Wanlibao in proportion to their respective equity interests in JV.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT AND THE FORMATION OF THE JV

As disclosed in the Land Resumptions Disclosures, the Group believes that the Land Resumptions were the only practicable means for the Group to realise the evident potential of the Resumed Land Parcels; as the Three Olds Renovation Plan is the only practicable way under which the land use of the Resumed Land Parcels may be converted from industrial use to residential and/or commercial uses.

The Company considers that the JV represents an excellent investment opportunity to the Group, through which the Group will be able to hold an investment interest in the JV and enjoy the estimated earnings of the development project under the JV. The Directors consider that the JV and the development of the Target Land Parcel represent a further endeavour of the Group to integrate its gains from the Land Resumptions into its larger investment picture.

The Target Land Parcel is located in Zengcheng District, a leading district in terms of economic indicators in Guangzhou. The Target Land Parcel is of considerable scale and may be developed for commercial and residential uses. The JV Partner is an indirect wholly owned subsidiary of Ganglong (as defined below), a listed company in Hong Kong and an established property developer in the Yangtze River Delta Region with extensive experience in the development and sales of properties predominantly for residential use mixed with accompanying ancillary facilities, such as retail units, carparks and ancillary areas. With the Group's familiarity with and long-established presence in the Zengcheng District, and taking into account the cooperation with the JV Partner and Ganglong and their expertise and experience in property development projects; it is expected that the Parties will exert their respective advantages and contribute to the successful development of the JV and the Target Land Parcel.

The Directors consider that the formation of the JV could enable the Group to participate in a sizeable project where any costs and funding needs (other than those satisfied by external fund-raising to be carried out by the JV) arising from the JV, the acquisition of Target Land Parcel as well as the development thereof could be shared between the Group and the JV Partner in proportion to their respective equity interests in the JV. As such, it would lower the capital commitment required on the part of the Group, enable the Group to maintain a healthy risk management and cashflow position and benefit the Group's financial performance in the long run.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the JV Agreement are on normal commercial terms and are negotiated on an arm's length basis; and the transactions contemplated under the JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on Wanlibao

Wanlibao is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Information on the JV Partner

The JV Partner is a company established in the PRC with limited liability. It is principally engaged in the development of real estate projects in the PRC. It is an indirect wholly-owned subsidiary of Ganglong China Property Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (“**Ganglong**”, stock code: 6968). Ganglong is an established property developer in the Yangtze River Delta Region focusing on the development and sales of properties predominantly for residential use mixed with accompanying ancillary facilities, such as retail units, carparks and ancillary areas.

Information on the Group

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in the design, manufacturing and sales of home furniture and accessories.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the JV Agreement and the transactions contemplated thereunder exceed 25%, but all are less than 100%, the JV Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and is therefore subject to the notification, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Under Rule 14.44 of the Listing Rules, written shareholders’ approval for the JV Agreement and the transactions contemplated thereunder may be obtained by way of shareholders’ approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transactions; and (b) written shareholders’ approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transactions.

The Company has obtained written approvals for the JV Agreement and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising SCHK, Mr. Tse and his wholly owned companies including Leading Star, Crisana and Charming Future, who are beneficially interested in an aggregate of 2,095,991,280 Shares (representing approximately 80.66% of the entire issued

share capital of the Company) as at the date of this announcement. SCHK, Mr. Tse and his wholly owned companies including Leading Star, Crisana and Charming Future are parties acting in concert pursuant to the Concert Group Agreement and thus are a closely allied group of Shareholders.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the JV Agreement and the transactions contemplated thereunder; and therefore none of them is required to abstain from voting if the Company were to convene a general meeting for the approval of the JV Agreement and the transactions contemplated thereunder. As such, no general meeting will be convened for the approval of the JV Agreement and the transactions contemplated thereunder as is permitted under Rule 14.44 of the Listing Rules.

GENERAL

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) the details of the JV Agreement and the transactions contemplated thereunder; and (ii) other information required to be included in the circular under the requirements of the Listing Rules will be despatched on or before 24 December 2020 as additional time is required for the Company to prepare and finalise certain information relating to indebtedness statements and working capital sufficiency for inclusion in the circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the delay in despatch of the circular.

DEFINITIONS

In this announcement, the following expressions shall have the respective meanings set opposite thereto:

“associates”	has the meaning ascribed to it under the Listing Rules
“Bidding”	the bidding and tendering for the Target Land Parcel by the JV at the Public Auction pursuant to the JV Agreement
“Board”	the board of Directors
“Charming Future”	Charming Future Holdings Limited, a beneficial owner of 209,768,922 Shares, representing 8.07% of the issued share capital of the Company, as at the date of this announcement, and wholly-owned by Mr. Tse. It is deemed to be interested in 2,095,991,280 Shares, representing 80.66% of the issued share capital of the Company pursuant to the Concert Group Agreement as at the date of this announcement
“Company”	Royale Home Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1198)

“Concert Group Agreement”	the concert group agreement dated 24 May 2019 entered into amongst SCHK, Mr. Tse and his wholly owned companies including Leading Star, Crisana and Charming Future
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Crisana”	Crisana International Inc., a beneficial owner of 185,840,120 Shares, representing 7.15% of the issued share capital of the Company, as at the date of this announcement, and wholly-owned by Mr. Tse. It is deemed to be interested in 2,095,991,280 Shares, representing 80.66% of the issued share capital of the Company pursuant to the Concert Group Agreement as at the date of this announcement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV”	a joint venture entity established in the PRC by Wanlibao and the JV Partner in accordance with the terms and conditions of the JV Agreement
“JV Agreement”	the joint venture agreement dated 27 October 2020 entered into between Wanlibao and the JV Partner
“JV Partner”	Huizhou Gangjie Land Co., Ltd.* (惠州市港傑置業有限公司), a company established in the PRC with limited liability
“Land Resumptions”	the resumptions of the two parcels of land of the Group situated at Baishigang, Jigang Cooperative Society, Hengling Village, Shitan Town* (石灘鎮橫嶺村基崗合作社白石崗) with total land area of approximately 187,575.8 square metres (the “ Resumed Land Parcels ”), under two land resumption agreements entered into by the Group and the government on 18 June 2020. The Resumed Land Parcels will form part of the Target Land Parcel
“Land Resumptions Disclosures”	the announcement of the Company dated 18 June 2020 and the circular of the Company dated 30 September 2020 in relation to the Land Resumptions

“Leading Star”	Leading Star Global Limited, a company wholly-owned by Mr. Tse and the direct beneficial owner of 51,971,227 Shares, representing 2.00% of the issued share capital of the Company, as at the date of this announcement. It is deemed to be interested in 2,095,991,280 Shares, representing 80.66% of the issued share capital of the Company pursuant to the Concert Group Agreement as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tse”	Mr. Tse Kam Pang, being the chairman of the Company and an executive Director, and the direct beneficial owner of 348,948,047 Shares, representing 13.43% of the issued share capital of the Company as at the date of this announcement. He is also deemed to be interested in the 2,095,991,280 Shares, representing 80.66% of the issued share capital of the Company pursuant to the Concert Group Agreement as at the date of this announcement
“Party(ies)”	party(ies) to the JV Agreement
“PRC”	the People’s Republic of China
“Price Difference”	the Actual Bid Price less the Final Bid Price/Maximum Bid Price (as appropriate), representing the amount of bid price in excess of the Final Bid Price/Maximum Bid Price (as appropriate)
“Public Auction”	the public land auction of the Target Land Parcel, in which the JV is expected to participate under the terms and conditions of JV Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SCHK”	Science City (Hong Kong) Investment Co. Limited, a direct wholly-owned subsidiary of Science City and the direct beneficial owner of 1,299,462,964 Shares, representing 50.01% of the issued share capital of the Company, as at the date of this announcement. It is deemed to be interested in 2,095,991,280 Shares, representing 80.66% of the issued share capital of the Company pursuant to the Concert Group Agreement as at the date of this announcement

“Science City”	Science City (Guangzhou) Investment Group Co., Ltd.* (科學城（廣州）投資集團有限公司), a company established in the PRC with limited liability on 21 August 1984 and a controlling Shareholder. The ultimate beneficial owner of Science City is the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surplus Funds”	funds remaining after deducting (i) working capital required for the next three (3) months of project development; (ii) shareholders’ contributions and interests; and (iii) maturing debts of the JV
“Target Land Parcel”	a parcel of land situated at Hengling Village, Shitan Town, Zengcheng District, Guangzhou* (廣州市增城區石灘鎮橫嶺村) of residential (and commercial) uses with a total land area of approximately 196,435.11 square metres
“Three Olds Renovation Plan”	the “Three Olds Renovation Plan” (i.e. a plan on the renovation of the old urban areas, old villages and old plants) promulgated by the Guangzhou Government of the PRC
“Wanlibao”	Guangzhou Wanlibao Investment Co., Ltd.* (廣州萬利寶投資有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board
Royale Home Holdings Limited
Tse Kam Pang
Chairman and Executive Director

Hong Kong, 27 October 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 purposes only*