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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)**

### **BUSINESS UPDATE PROJECT INVESTMENT AGREEMENT**

This announcement is made by Royale Home Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep its shareholders and potential investors of the Company abreast of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company and potential investors that on 2 November 2021, the Company has signed a project investment agreement (the “**Project Investment Agreement**”) with the People’s Government of Xuzhou, Jiawang District\* (徐州市賈汪區人民政府) (the “**Government**”), pursuant to which the parties have agreed to develop a home and interior decoration materials industrial park which is expected to be an integrated platform combining various elements in the home products and interior decoration materials industry, including research and development of products, processing and production, accessories and decorations, sales and marketing and logistics (the “**Project**”).

Pursuant to the Project Investment Agreement, the Government is expected to make available land parcels with a total area of 3,000 Mu (畝) in phases for tender within a five-year period, subject to further agreements. The total area of the land parcel for the first phase of development is expected to be 500 Mu (畝), in relation to which the Government will endeavour to complete tendering procedures by June 2022.

The Company will take a leading role in rolling out the Project. A subsidiary of the Company (the “**Project Company**”) will be designated as project company undertaking the development, construction and operations of the Project under the Project Investment Agreement. The Project Company shall have a registered capital of not less than RMB200 million and is expected to enter into land use rights transfer agreement(s) with relevant land authorities.

Subject to the compliance of relevant policies of Xuzhou (徐州市) and Jiawang District (賈汪區) in Jiangsu Province, the People's Republic of China (the "PRC"), the Company shall enjoy independent rights of management and return over the Project.

The parties to the Project Investment Agreement will negotiate and enter into written supplemental agreements on outstanding matters thereunder.

The Group is principally engaged in the design, manufacturing and sale of furniture and trading of commodities. The Company has consistently been a leading furniture and home products brand in the PRC with wide penetrating sales network, diversified product types and strong supporting and maintenance capabilities.

As disclosed in the interim report of the Company published on 29 September 2021, the Group will continue to deepen its commitments in the market of home products. It has been the aim of the Group to diversify its operations and further expand its business scale. The Board considers the Project Investment Agreement represents an opportunity for the Group to expand its home and interior decoration materials business. It is expected that through the development of the Project and the consolidation and integration of different functions and participating units within the home and interior decoration materials products industry, the Group will further strengthen and expand its supply chain to support the development of the home and interior decoration materials business of the Group. Accordingly, the Board is of the view that the participation in and development of the Project will be in the interest of the Company and its shareholders as a whole.

The Company will keep shareholders and potential investors of the Company informed and make further announcement(s) as and when appropriate.

**The Project is still at an early stage. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 3 November 2021

*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. Chen Yisheng; 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*