
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of Royale Home Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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)

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE
BY THE COMPANY OF ITS OWN SHARES;
(2) DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND;
(3) PROPOSED RE-ELECTION OF DIRECTORS;
(4) PROPOSED AMENDMENTS TO MEMORANDUM AND
ARTICLES OF ASSOCIATION AND ADOPTION OF NEW AMENDED AND
RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

Terms used in this cover shall have the same meaning as those defined in the circular, unless the context requires otherwise.

Taking into account the recent development of the epidemic caused by the coronavirus disease (COVID-19), the Company will implement the following prevention and control measures at the AGM to protect Shareholders from the risk of infection:

- (i) compulsory body temperature checks will be conducted for every attending Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue subject to COVID-19 restrictions, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
- (ii) every attending Shareholder or proxy is required to wear a surgical mask throughout the AGM; and
- (iii) no refreshments or souvenirs will be served or distributed at the AGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company wishes to advise all Shareholders, in particular those who are subject to quarantine in relation to COVID-19, that they may appoint any person or the Chairman of the AGM as a proxy to attend and vote on any of the resolutions in lieu of attending the AGM in person.

The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the Hong Kong Government, and if necessary, will make further announcements in case of any update regarding the precautionary measures to be carried out at the AGM.

A notice convening the AGM to be held at the Room 607, 6/F, Tsim Sha Tsui Centre West Wing, 66 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 6 June 2022 at 3:00 p.m. is set out on pages AGM-1 to AGM-6 of this circular. A form of proxy for use at the AGM is also enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

| | |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “AGM” | the annual general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and its extension and the Repurchase Mandate, the proposed amendments to the Memorandum and Articles of Association and adoption of the new amended and restated Memorandum and Articles of Association, the proposed re-election of Directors and the proposed declaration of final dividend and special dividend |
| “Articles of Association” | the articles of association of the Company as amended from time to time, and “Article” shall mean an article of the Articles of Association |
| “associate(s)” | has the meaning ascribed to this term under the Listing Rules |
| “Board” | the board of Directors |
| “close associate(s)” | has the meaning ascribed to this term under the Listing Rules |
| “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 |
| “Directors” | the directors of the Company |
| “General Mandate” | the general mandate proposed to be granted to the Directors at the AGM to allot, issue, grant, distribute and otherwise deal with additional Shares up to a maximum of 20% of the total number of the Shares of the Company in issue at the date of the passing of such resolution |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |

DEFINITIONS

| | |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Latest Practicable Date” | 25 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Memorandum” | the memorandum of association of the Company as amended from time to time |
| “Repurchase Mandate” | the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to a maximum of 10% of the total number of the Shares of the Company at the date of passing such resolution |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Code on Takeovers and Mergers issued by the Hong Kong Securities and Futures Commission |
| “%” | per cent |

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Tse Kam Pang (*Chairman*)
Mr. Yang Jun (*Chief Executive Officer*)

Non-executive Directors:

Mr. Wu Zhongming
Mr. Wu Dingliang
Ms. Qin You
Mr. Chen Yisheng

Independent Non-executive Directors:

Mr. Lau Chi Kit
Mr. Yue Man Yiu Matthew
Mr. Chan Wing Tak Kevin

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 607, 6/F
Tsim Sha Tsui Centre West Wing
66 Mody Road, Tsim Sha Tsui East
Kowloon
Hong Kong

29 April 2022

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE
BY THE COMPANY OF ITS OWN SHARES;
(2) DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND;
(3) PROPOSED RE-ELECTION OF DIRECTORS;
(4) PROPOSED AMENDMENTS TO MEMORANDUM AND
ARTICLES OF ASSOCIATION AND ADOPTION OF NEW AMENDED AND
RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

* For identification purposes only

LETTER FROM THE BOARD

INTRODUCTION

At the AGM to be held at Room 607, 6/F, Tsim Sha Tsui Centre West Wing, 66 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 6 June 2022 at 3:00 p.m., resolutions will be proposed, among other matters:

- (a) to grant the General Mandate to the Directors;
- (b) to grant the Repurchase Mandate to the Directors;
- (c) to grant an extension to the Directors to extend the General Mandate to include the Shares repurchased under the Repurchase Mandate;
- (d) the declaration of final dividend and special dividend;
- (e) the proposed amendments to the Memorandum and Articles of Association and adoption of the new amended and restated Memorandum and Articles of Association; and
- (f) to re-elect the retiring Directors.

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM regarding the above and to give you the notice of the AGM.

GENERAL MANDATE AND ITS EXTENSION AND REPURCHASE MANDATE

General Mandate and its extension

At the last annual general meeting of the Company held on 31 May 2021, a general mandate was granted to the Directors to allot, issue and deal with additional Shares. Such mandate will lapse at the conclusion of the AGM. Two ordinary resolutions will accordingly be proposed at the AGM for the Shareholders to consider and, if thought fit, grant, respectively, the General Mandate and an extension of the General Mandate by adding any Shares representing the number of Shares repurchased by the Company after and subject to the granting of the Repurchase Mandate. The Company had in issue an aggregate of 2,598,561,326 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 519,712,265 Shares, representing 20% of the total number of issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM. Details of the General Mandate and its extension are set out in Resolutions 5 and 7 in the notice of the AGM set out on pages AGM-1 to AGM-6 of this circular.

The General Mandate is desirable as it gives the Directors flexibility and discretion to allot Shares where they believe it is in the best interest of the Shareholders to do so, in particular, pursuant to any capital raising or other strategic needs that may arise from time to time. The Directors have no immediate plans to issue any new Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

Repurchase Mandate

Under the Listing Rules, the Company is required to give Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to grant the Repurchase Mandate to the Directors. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I to this circular.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are to be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 259,856,132 Shares.

The General Mandate and its extension and the Repurchase Mandate will expire upon until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND

According to the announcements of the Company dated 31 March 2022, the Board recommended the declaration and payment of a final dividend of HK1 cent per Share and a special dividend of HK4 cents per Share for the year ended 31 December 2021, will be distributed on or about Friday, 29 July 2022 to Shareholders whose names appear on the register of members of the Company on Thursday, 7 July 2022. For determining the entitlement to the final dividend and special dividend, the register of members of the Company will be closed from Monday, 4 July 2022 to Thursday, 7 July 2022, both days inclusive. In order to qualify for the final dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 30 June 2022.

The proposed final dividend and special dividend are subject to approval by the Shareholders at the forthcoming AGM, and will be distributed from the share premium of the Company.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

According to Article 87 of the Articles of Association, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at every annual general meeting of the Company. A retiring Director shall be eligible for re-election.

In accordance with Articles 86.3 and 87 of the Articles of Association, each of Mr. Chen Yisheng, Mr. Yang Jun, Ms. Qin You and Mr. Lau Chi Kit shall retire from their office as Directors by rotation but shall be eligible for re-election.

Mr. Chen Yisheng has been appointed as a non-executive Director on 7 September 2021. Pursuant to Article 86(3) of the Articles of Association, Mr. Chen Yisheng shall hold office only until the next annual general meeting of the Company and shall be eligible for re-election. Accordingly, Mr. Chen Yisheng will retire and being eligible, offer himself for re-election at the AGM.

Pursuant to Code Provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, if an independent non-executive director serves an issuer for more than nine (9) years, any further appointment of such an independent non-executive director shall be subject to a separate resolution to be approved by the shareholders. As Mr. Lau Chi Kit will be serving the Company as an independent non-executive Director for more than nine (9) years if he is re-elected at the AGM, a separate resolution will be proposed at the AGM to further appoint Mr. Lau Chi Kit as an independent non-executive Director.

The Nomination Committee of the Board has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and the Company's policy for the nomination of Directors ("**Nomination Policy**"), the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board the re-election Mr. Yang Jun, Ms. Qin You, Mr. Chen Yisheng and Mr. Lau Chi Kit at the AGM.

Particulars relating to Mr. Yang Jun, Ms. Qin You, Mr. Chen Yisheng and Mr. Lau Chi Kit are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF NEW AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

Reference is made to the announcement of the Company dated 28 April 2022 (the “**Announcement**”). As disclosed in the Announcement, the Board proposes to amend the existing Memorandum and Articles of Association principally to, amongst others, (i) bring the existing Memorandum and Articles of Association in line with the relevant requirements of the Listing (in particular the core standards set out in Appendix 3 thereto) and the laws of the Cayman Islands; (ii) fix the size of the Board at a maximum number of nine (9) Directors; and (iii) make other consequential and housekeeping amendments to the existing Memorandum and Articles of Association (the “**Proposed Amendments**”).

A summary of the areas under the Existing Memorandum and Articles of Association which will be subject to material change is set out below:

1. to reflect the change of the name of the Company from “ROYALE FURNITURE HOLDINGS LIMITED” to “Royale Home Holdings Limited” effective from 10 June 2020;
2. to update the definition of “Law” to bring it in line with the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Act**”);
3. to provide that the Company must hold an annual general meeting in each financial year other than the financial year of the Company’s adoption of the articles of association and such annual general meeting must be held within six months after the end of the Company’s financial year;
4. to provide that an annual general meeting of the Company must be called by notice of not less than twenty-one clear days, while all other general meetings (including an extraordinary general meeting) must be called by notice of not less than fourteen clear days but if permitted by the Listing Rules, a general meeting may be called by shorter notice, subject to the Act and the rules of designated stock exchanges (including the Stock Exchange), if it is so agreed under the circumstances set out in the new amended and restated Articles of Association;
5. to provide that all Shareholders shall have the right to (i) speak at a general meeting of the Company; and (ii) vote at a general meeting of the Company, except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration;
6. to provide that any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election;

LETTER FROM THE BOARD

7. to provide that the Shareholders may approve the removal of the auditor of the Company at any time before the expiration of his term of office by way of an ordinary resolution;
8. to update the provision regarding the appointment of the auditor of the Company to fill any casual vacancy in the office of the auditor of the Company that any such auditor appointed shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Shareholders;
9. to add the definition of “financial year” and provide that the financial year end of the Company shall be 31 of December in each year, unless otherwise determined by the Directors from time to time;
10. to fix the size of the Board at a maximum number of nine (9) Directors;
11. to provide that auditors of the Company appointed at an annual general meeting or at a subsequent extraordinary general meeting of the Company shall hold office until the next annual general meeting and the Shareholders may by ordinary resolution remove auditors of the Company at any time before the expiration of his/her/its term of office;
12. to provide, in accordance with the Listing Rules, that any vote of Shareholders at a general meeting of the Company must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands;
13. to clarify that the right to requisition an extraordinary general meeting by any Shareholder holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company includes the rights for such Shareholder to specify the resolution to be transacted in its requisition; and
14. to update and tidy up definitions and other references, and to make consequential amendments in line with the above amendments and other house-keeping amendments.

The Board further proposes to adopt a new set of amended and restated Memorandum and Articles of Association incorporating and consolidating the Proposed Amendments and all previous amendments to the Memorandum and Articles of Association, in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association.

The Proposed Amendments and the proposed adoption of new amended and restated Memorandum and Articles of Association are subject to the approval of the Shareholders by way of special resolution at the AGM.

LETTER FROM THE BOARD

Details of the Proposed Amendments are set out in Appendix III to this circular.

The Company has been advised by its legal advisers that the Proposed Amendments and proposed adoption of amended and restated Memorandum and Articles of Association are not inconsistent with the requirements of the Listing Rules and the laws of the Cayman Islands respectively.

The Company also confirms that there is nothing unusual about the Proposed Amendments and adoption of amended and restated Memorandum and Articles of Association for a company listed on the Stock Exchange.

The Proposed Amendments are prepared in the English language and the Chinese language translation of the Proposed Amendments are for reference only. In the event of any inconsistencies between the English language version and the Chinese language version of the Proposed Amendments, the English language version shall prevail.

AGM

Taking into account the recent development of the epidemic caused by the coronavirus disease (COVID-19), the Company will implement the following prevention and control measures at the AGM to protect Shareholders from the risk of infection:

- (i) compulsory body temperature checks will be conducted for every attending Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue subject to COVID-19 restrictions, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
- (ii) every attending Shareholder or proxy is required to wear a surgical mask throughout the AGM; and
- (iii) no refreshments or souvenirs will be served or distributed at the AGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company wishes to advise all Shareholders, in particular those who are subject to quarantine in relation to COVID-19, that they may appoint any person or the Chairman of the AGM as a proxy to attend and vote on any of the resolutions in lieu of attending the AGM in person.

The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the Hong Kong Government, and if necessary, will make further announcements in case of any update regarding the precautionary measures to be carried out at the AGM.

LETTER FROM THE BOARD

A notice of the AGM is set out on pages AGM-1 to AGM-6 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted on by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM or adjournment thereof in person if you so wish.

RECOMMENDATION

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate, the extension of the General Mandate to the Shares repurchased pursuant to the Repurchase Mandate, the declaration of final dividend and special dividend, the proposed amendments to the Memorandum and Articles of Association and adoption of the new amended and restated Memorandum and Articles of Association and the proposed re-election of retiring Directors are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the AGM.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole.

The Directors believe that an exercise of the General Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for and/or as a means of payment by the Company.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the board of Directors of
Royale Home Holdings Limited
Tse Kam Pang
Chairman and Executive Director

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PERSONS

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company on the Stock Exchange.

None of the Directors and, to the best of the knowledge of the Directors having made all reasonable enquiries, their respective close associates have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company. None of the core connected persons of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company have has any such core connected persons undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted to the Directors.

2. SHARE CAPITAL

As at the Latest Practicable Date, the number of issued shares of the Company was 2,598,561,326 Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are to be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 259,856,132 Shares.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASE

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the Articles of Association of the Company for such purpose.

The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share repurchase may only be paid out of those funds legally permitted to be utilised in this connection, including capital paid up on the relevant shares, or out of funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of funds of the Company otherwise available for dividend or distribution or out of the share premium account of the Company.

5. FINANCIAL EFFECT OF REPURCHASES

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company (as compared with the position disclosed in its latest published audited accounts as at 31 December 2021). The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|-------------------------------------------|-------------------------------|------------------------------|
| 2021 | | |
| April | 1.490 | 1.220 |
| May | 1.650 | 1.220 |
| June | 2.030 | 1.570 |
| July | 2.450 | 1.780 |
| August | 2.460 | 2.100 |
| September | 2.410 | 2.000 |
| October | 2.400 | 2.000 |
| November | 2.420 | 2.060 |
| December | 2.920 | 2.190 |
| 2022 | | |
| January | 3.100 | 2.700 |
| February | 3.050 | 2.840 |
| March | 3.000 | 2.680 |
| April (up to the Latest Practicable Date) | 2.990 | 2.800 |

7. MINIMUM PUBLIC HOLDING AND TAKEOVERS CODE IMPLICATIONS

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, so far as the Directors are aware the Company had been notified that the following Shareholders were interested in more than 10% of the Shares then in issue:

| Name | Notes | Interest held | | | Total | Approximate percentage of interest in the Shares as at the Latest Practicable Date | Approximate percentage of interest in the Shares if the Repurchase Mandate is exercised in full |
|---------------------------------------------------------------------------|--------|-----------------------------|---------------------|------------------------------------------|---------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| | | Directly beneficially owned | through corporation | Interest held jointly with other persons | | | |
| Science City (Guangzhou) Investment Group Co., Ltd.* (科學城(廣州)投資集團有限公司) | (a, b) | - | 1,945,391,280 | - | 1,945,391,280 | 74.86% | 83.18% |
| Science City (Hong Kong) Investment Co. Limited ("SCHK") | (a, b) | 1,234,862,964 | - | 710,528,316 | 1,945,391,280 | 74.86% | 83.18% |
| Mr. Tse Kam Pang ("Mr. Tse") | (b) | 282,948,047 | 427,580,269 | 1,234,862,964 | 1,945,391,280 | 74.86% | 83.18% |
| Crisana International Inc. ("Crisana") | (b) | 165,840,120 | - | 1,779,551,160 | 1,945,391,280 | 74.86% | 83.18% |
| Charming Future Holdings Limited ("Charming Future") | (b) | 209,768,922 | - | 1,735,622,358 | 1,945,391,280 | 74.86% | 83.18% |
| Leading Star Global Limited ("Leading Star") | (b) | 51,971,227 | - | 1,893,420,053 | 1,945,391,280 | 74.86% | 83.18% |

Notes:

- (a) SCHK is wholly owned by 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. As such, Science City (Guangzhou) Investment Group Co., Ltd.* (科學城(廣州)投資集團有限公司) was deemed to be interested in 1,945,391,280 Shares under Part XV of the SFO. 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).

* For identification purposes only

- (b) On 24 May 2019, SCHK, Mr. Tse, Leading Star, Crisana and Charming Future (the “**Concert Group**”) entered into a acting in concert arrangement. SCHK, Mr. Tse, Leading Star, Crisana and Charming Future are parties acting in concert (having the meaning ascribed to it under the Takeovers Code). As such, SCHK, Mr. Tse, Leading Star (being wholly owned by Mr. Tse), Crisana (being wholly owned by Mr. Tse) and Charming Future (being wholly owned by Mr. Tse) are deemed to be interested in 74.86% of the issued share capital of the Company.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the Concert Group would be increased to approximately the percentage shown in the last column above and the Directors are not aware that such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclosed above, the Directors are not aware of any other consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate.

The Directors do not intend to exercise the power to purchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Company will also not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

8. SHARES REPURCHASE MADE BY THE COMPANY

No repurchase of Shares were made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

9. DIRECTORS’ UNDERTAKING

The Directors have undertaken to the Stock Exchange that they would exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

The details of the Directors who will retire from office at the AGM and being eligible, offer themselves for re-election at the AGM, are set out below:

MR. YANG JUN (“MR. YANG”) – EXECUTIVE DIRECTOR

Experience

Mr. Yang, aged 50, graduated from the Hubei Xianning Finance and Taxation Accounting School of Finance* in 1991, and graduated from Zhongnan University of Economics and Law in 2001, majoring in accounting. Mr. Yang is a qualified accountant and has over 28 years of working experience in accounting and corporate finance. Mr. Yang has been the deputy general manager of the financial asset management department of Science City (Guangzhou) Investment Group Co., Ltd (“**Science City Group**”) since January 2018. Mr. Yang has been appointed as a non-executive Director on 29 August 2019. He has been re-designated from a non-executive Director to an executive Director and Chief Executive Officer with effect from 11 October 2019.

Length of service

Mr. Yang has entered into a director’s service agreement with the Company for a fixed term of three years. His appointment will be subject to normal retirement by rotation every three years and re-election by the Shareholders pursuant to the Articles of Association.

Director’s emoluments

The remuneration payable to Mr. Yang is RMB624,000 per year and also entitled to share options under the Company’s share option scheme and other benefits, which is determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions.

Relationships

Apart from being an Executive Director, Mr. Yang did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company, or their respective associates as at the Latest Practicable Date.

Interests in Shares

As at the Latest Practicable Date, Mr. Yang did not have any interest in the Shares within the meaning of Part XV of the SFO.

* For identification purposes only

Positions and Experience

Save as disclosed, as at the Latest Practicable Date, Mr. Yang did not hold any position with the Company and other members of the Group or other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

MS. QIN YOU (“MS. QIN”) – NON-EXECUTIVE DIRECTOR**Experience**

Ms. Qin, aged 43, obtained the degree of bachelor of laws in international economic laws from the Zhongnan University of Economics and Law in 1999, and obtained the degree of master of laws in economic laws in Jinan University in 2004. Ms. Qin is a qualified corporate legal counsel and has over 20 years of working experience in the corporate legal field. Ms. Qin has been the general manager of the legal and risk control department of Science City Group since October 2019. Ms. Qin has been appointed as a non-executive Director of the Company since 29 August 2019.

Length of service

Ms. Qin has entered into a director’s service agreement with the Company for a fixed term of three years. Her appointment will be subject to normal retirement by rotation every three years and re-election by the Shareholders pursuant to the Articles of Association.

Director’s emoluments

Ms. Qin does not receive any remuneration for acting as non-executive Director. She is entitled to share options under the Company’s share option scheme and other benefits. All her emoluments are determined by the Board with reference to her duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions.

Relationships

Apart from being the Non-Executive Director, Ms. Qin did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company, or their respective associates as at the Latest Practicable Date.

Interests in Shares

As at the Latest Practicable Date, Ms. Qin did not have any interest in the Shares within the meaning of Part XV of the SFO.

Positions and Experience

Save as disclosed, as at the Latest Practicable Date, Ms. Qin did not hold any position with the Company and other members of the Group or other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

MR. CHEN YISHENG (“MR. CHEN”) – NON-EXECUTIVE DIRECTOR**Experience**

Mr. Chen, aged 46, is currently the general manager of the financial planning department of Science City (Guangzhou) Investment Group Co., Ltd.* (“**Science City**”), a controlling shareholder of the Company. Mr. Chen was the deputy general manager of the financial planning department of Science City from 2018 to 2020. He worked at Guangzhou Hongkang Real Estate Co., Ltd.* from 2010 to 2018, with last position as finance manager designated by Guangzhou Development Zone Construction and Development Group Co., Ltd.*. From 2009 to 2010, Mr. Chen worked with Science City Exhibition Centre Co., Ltd.* as a deputy finance manager; and from 1997 to 2009, he was a deputy director of Guangzhou Zhengkai Certified Public Accountants Co., Ltd.*. Mr. Chen holds a bachelor’s degree in economics from Sun Yat-sen University in the People’s Republic of China (the “**PRC**”). He also holds the qualification of intermediate accountant in the PRC. Mr. Chen has been appointed as a non-executive Director of the Company since 7 September 2021.

Length of service

Mr. Chen has entered into a director’s appointment letter with the Company for a fixed term of three years. His appointment will be subject to normal retirement by rotation every three years and re-election by the Shareholders pursuant to the Articles of Association.

Director’s emoluments

Mr. Chen does not receive any remuneration for acting as non-executive Director. He is also entitled to share options under the Company’s share option scheme and other benefits. All his emoluments are determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions.

Relationships

Apart from being a non-executive Director, Mr. Chen did not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company, or their respective associates as at the Latest Practicable Date.

* *For identification purposes only*

Interests in Shares

As at the Latest Practicable Date, Mr. Chen did not have any interest in the Shares within the meaning of Part XV of the SFO.

Positions and Experience

Save as disclosed, as at the Latest Practicable Date, Mr. Chen did not hold any position with the Company and other members of the Group or other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

MR. LAU CHI KIT (“MR. LAU”) – INDEPENDENT NON-EXECUTIVE DIRECTOR**Experience**

Mr. Lau, aged 77, retired from The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) in December 2000 after more than 35 years of service. Among the major positions in HSBC, he was the assistant general manager and head of Personal Banking Hong Kong and assistant general manager and head of Strategic Implementation, Asia-Pacific Region. He is a fellow of the Hong Kong Institute of Bankers (“Institute”). He was the chairman of the Institute’s Executive Committee (from January 1999 to December 2000) and is currently the honorary advisor of the Institute’s Executive Committee. He served as a member on a number of committees appointed by the Government of the Hong Kong Special Administration Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission’s Privacy Sub-committee (from February 1990 to March 2006). He also served as chairman of the Business Environment Council Limited (from September 1998 to December 2001). Currently, he is an executive director of Chinlink International Holdings Limited (stock code: 997), Leoch International Technology Limited (stock code: 842) and Hin Sang Group (International) Holding Company Limited (stock code: 6893). Mr. Lau has been appointed as an independent non-executive Director of the Company since 6 September 2011.

Length of service

Mr. Lau has entered into a director’s appointment letter with the Company for a fixed term of three years. His appointment will be subject to normal retirement by rotation every three years and re-election by the Shareholders pursuant to the Articles of Association.

Director's emoluments

The remuneration payable to Mr. Lau is HK\$240,000 per year. He is also entitled to share options under the Company's share option scheme and other benefits. All his emoluments are determined by the Board with reference to his duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

Relationships

Apart from being an independent non-executive Director, Mr. Lau did not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company, or their respective associates as at the Latest Practicable Date.

Interests in Shares

As at the Latest Practicable Date, Mr. Lau did not have any interest in the Shares within the meaning of Part XV of the SFO.

Others

During the last three years, Mr. Lau was an independent non-executive director of Century Sunshine Group Holdings Limited (stock code: 509), which being a listed public company in Hong Kong.

Mr. Lau has been serving the Company as an independent non-executive Director for more than nine years since September 2011. The Board appreciates the importance of observing the Corporate Governance Code, and seeks to conduct itself in compliance with the underlying principles in relation to tenure of office of Director. The Board understands and strives to strike an appropriate balance between continuity of experience and quality advice and guidance arising from familiarity with the affairs of the Company and the necessity of board refreshment and succession planning. The Board considers that although, as stated in the Corporate Governance Code, serving on the Board for more than nine years could be relevant to the determination of the appropriateness of the re-election of an independent non-executive Director, it may not be meaningful to or to the benefit of the Company to determine an individual's appropriateness and independence arbitrarily on the basis of his/her service for a specified period of time (e.g. nine years).

The Board adopts a qualitative approach in assessing a candidate's independence and appropriateness with reference to the overall assessment of all the attributes associated with the recommendation for re-election of an individual. In the process of assessing his independence, each of the factors referred to in Listing Rule 3.13(1) to (8) has been confirmed. In line with this, the Company recognizes the continued independence of Mr. Lau under Rule 3.13 of the Listing Rules. Serving as an independent non-executive Director, Mr. Lau has brought high standards of corporate governance to the Company and contributed objectively in advising, as well as monitoring and mentoring the management of the Company. Being familiar with the corporate values of the Company, the presence of Mr. Lau has enhanced these values by his sustained development of a strong advisory relationship with the Company. Mr. Lau has also provided the Company with his annual independence confirmation in accordance with Rules 3.13 of the Listing Rules. The Directors consider that continued tenure brings considerable stability to the Board and the Board has benefited greatly from the presence of Mr. Lau, who has over time gained valuable insight into the Group, the industry in which it operates, the ordinary affairs associated with its business and its markets. Apart from Mr. Lau's historical valuable contribution to the Group and his experiences accumulated with regard to the affairs of the Group, in assessing the re-election of Mr. Lau as an independent non-executive Director, the nomination committee of the Company and the Board have also considered Mr. Lau's expertise and professional qualifications in the fields of accounting, finance, management and corporate governance with reference to the selection criteria under the Nomination Policy. The Board has also taken in account Mr. Lau's continuous efforts in personal and professional development in the fields of accounting, finance, securities and management, and the holistic view and insight he possesses by way of sitting in the board of directors of other listed company(ies) in Hong Kong (which the Company may make use of), Mr. Lau's character and integrity as a professional who is constantly involved in and bound by professional rules of conduct for the provision of impartial advice to others despite long-established relationships, and Mr. Lau's active involvement in scrutinizing the corporate governance and internal control of the Company. In light of the analysis above, the Board believes that it would be in the overall best interest of the Group that Mr. Lau be recommended for re-election after a careful balancing exercise conducted by the Nomination Committee and the Board.

Positions and Experience

Save as disclosed, as at the Latest Practicable Date, Mr. Lau did not hold any position with the Company and other members of the Group or other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed, as at the Latest Practicable Date, there was no information relating to the above-mentioned Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there was no other matter that needs to be brought to the attention of the Shareholders.

Full particulars of the Proposed Amendments to the existing Memorandum and Articles of Association brought about by the adoption of the amended and restated Memorandum and Articles of Association (showing changes to the existing Memorandum and Articles of Association) are set out as follows. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company subject to the approval of the Shareholders at the AGM.

| Memorandum Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Memorandum) |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | The name of the Company is Royale Furniture <u>Home</u> Holdings Limited. |
| 2 | The Registered Office of the Company shall be at the offices of Codan <u>Conyers</u> Trust Company (Cayman) Limited, Century <u>Yard</u> , Cricket Square, Hutchins Drive, P.O. Box 2681 <u>GT</u> , George Town , Grand Cayman, British West Indies <u>KY1-1111</u> , <u>Cayman Islands</u> . |
| 4 | Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies <u>Act</u> (<u>As Revised</u>). |
| 8 | The share capital of the Company is HK\$ 2 <u>4</u> 00,000,000 divided into 24 <u>4</u> ,000,000,000 shares of a nominal or par value of <u>HK\$0.10</u> each. |

**Provisions in the amended and restated Memorandum
and Articles of Association proposed to be adopted by the
Company (showing changes to the existing Articles of
Association)**

Article Number

2.1

In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

| | |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>“Act”</u> | <u>The Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands;</u> |
| “Company” | Royale FurnitureHome Holdings Limited; |
| <u>“Law”</u> | <u>The Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;</u> |
| “ordinary resolution” | A resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorized representative or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) clear days’ Notice has been duly given <u>in accordance with Article 59.1;</u> |

Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association)

Article Number

“special resolution”

A resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorized representative or, where proxies are allowed, by proxy at a general meeting of which not less than twenty-one (21) clear days’ Notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. In nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days’ Notice has been given. Notice has been duly given in accordance with Article 59.1;

A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes;

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | “Statutes” The Law <u>The Act</u> and every other law of the legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its memorandum of association and/or these Articles; |
| 3.2 | Subject to the Law <u>the Act</u> , the Company’s Memorandum and Articles of Association and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it thinks fit. |
| 3.3 | Except as allowed by the Law <u>the Act</u> and subject further to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority the Company shall not give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company. |
| 4 | The Company may from time to time by ordinary resolution in accordance with the Law <u>the Act</u> alter the conditions of its Memorandum of Association to: (d) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Law <u>the Act</u>), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares; |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 | The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law <u>the Act</u> , reduce its share capital or any share premium account or any capital redemption reserve or other distributable reserve in any manner permitted by law. |
| 8.1 | Subject to the provisions of the Law <u>the Act</u> and the Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the board may determine. |
| 8.2 | Subject to the provisions of the Law <u>the Act</u> , the rules of any Designated Stock Exchange and the Memorandum and Articles of association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit. |

Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association)

Article Number

9 Subject to ~~the Law~~the Act, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.

10 Subject to ~~the Law~~the Act and without prejudice to article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

- (a) The necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person ~~(or (in the case of a Member being a corporation), its duly authorised representative)~~ or by proxy (whatever the number of shares held by them) shall be a quorum; and

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | (b) Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and (c) Any holder of shares of the class present in person or by proxy or authorized representative may demand a poll. |
| 12.1 | Subject to the Law <u>the Act</u> , these Articles, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever. |
| 13 | The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Law <u>the Act</u> . Subject to the Law <u>the Act</u> , the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other. |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 | Subject to the Law <u>the Act</u> and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose. |
| 19 | Share certificates shall be issued within the relevant time limit as prescribed by the Law <u>the Act</u> or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company. |
| 44 | The Register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours on every <u>during</u> business day <u>hours</u> by Members without charge or by any other person, upon a maximum payment of \$2.50, or such lesser sum specified by the Board at the Office or such other place in the Cayman Islands at which the Register is kept in accordance with the Law <u>the Act</u> or, if appropriate, upon a maximum payment of \$1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper, or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 48.4 | Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefore, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place in the Cayman Islands at which the Register is kept in accordance with the Law <u>the Act</u> . |
| 49 | (c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the Law <u>the Act</u> or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 56 | <p>An annual general meeting of the Company shall be held in each <u>financial</u> year other than the <u>financial</u> year of the Company's <u>adoption of these Articles and such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board. A meeting of Members or any class thereof may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.</u> incorporation (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or not more than eighteen (18) months after the date of incorporation, unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board.</p> |
| 58 | <p>The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business <u>or resolution</u> specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.</p> |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 59.1 | <p>An annual general meeting and any extraordinary general meeting at which the passing of a special resolution is to be considered shall<u>must</u> be called by not less than twenty-one (21) clear days² Notice of <u>not less than twenty-one (21) clear days</u>. All other extraordinary general meetings (<u>including an extraordinary general meeting</u>) may <u>must</u> be called by not less than fourteen (14) clear days² Notice of <u>not less than fourteen (14) clear days</u> but if permitted by the rules of the <u>Designated Stock Exchange</u>, a general meeting may be called by shorter notice, subject to the Law<u>the Act</u>, if it is so agreed:</p> <p>(b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding representing <u>representing</u> not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right of the total voting rights at the meeting of all the Members.</p> |
| 59.2 | <p>The notice shall specify the time and place of the meeting and <u>particulars of resolutions to be considered at the meeting and</u>, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p> |
| 61.1 | <p>(d) appointment of Auditors (where special notice of the intention for such appointment is not required by the Law<u>the Act</u>) and other officers;</p> |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 66 | <p>(1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a <u>poll</u> show of hands every Member present in person (or being a corporation, is present by a representative duly authorised), or by proxy, <u>or in the case of a Member being a corporation, by its duly authorised representative</u> shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. <u>A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, unless otherwise defined in the rules of any Designated Stock Exchange, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.</u></p> |

Article Number

Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association)

(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:~~Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:~~

~~(a) by the chairman of such meeting; or~~

~~(b)~~(a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

~~(e)~~(b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

~~(d)~~(c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; ~~or~~

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
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| 73 | <p data-bbox="699 417 1418 602">(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.</p> <p data-bbox="699 651 1418 793">A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by <u>the</u> Member.</p> <p data-bbox="635 842 1418 1102">All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Law<u>the Act</u>. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.</p> |
| 76.2 | <p data-bbox="635 1155 1418 1336"><u>All Members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration.</u></p> |
| 76.276.3 | <p data-bbox="635 1385 1418 1642">Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution <u>of the Company</u> or restricted to voting only for or only against any particular resolution <u>of the Company</u>, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.</p> |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
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| 84.2 | If a clearing house (or its nominees)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, <u>if more than one person is so authorised,</u> the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be <u>deemed to have been duly authorised without further evidence of the facts and be</u> entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including <u>the right to speak and vote, and where a show of hands is allowed,</u> the right to vote individually on a show of hands. |
| 86.1 | Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no <u>The</u> maximum number of Directors <u>shall be nine (9)</u> unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them and thereafter in accordance with Article 87 and shall hold office until their successors are elected or appointed. |
| 86.2 | Subject to the Articles and the Law <u>the Act</u> , the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board. |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
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| 86.3 | <p>The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board, <u>subject to the maximum number of Directors determined in accordance with Article 86.1. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election,</u>but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed shall hold office only until the next following annual general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.</p> |
| 93 | <p>An alternate Director shall only be a Director for the purposes of the Law<u>the Act</u> and shall only be subject to the provisions of the Law<u>the Act</u> insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.</p> |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
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| 101 | Subject to the Law <u>the Act</u> and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article 102 herein. |
| 104.3 | (c) To resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the Law <u>the Act</u> . |
| 104.4 | Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force at the date of adoption of these Articles, and except as permitted under the Law <u>the Act</u> , the Company shall not directly or indirectly: |
| 110 | The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Law <u>the Act</u> , to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
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| 113.2 | The Board shall cause a proper register to be kept, in accordance with, the provisions of the Law <u>the Act</u> , of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Law <u>the Act</u> in regard to the registration of charges and debentures therein specified and otherwise. |
| 127.1 | The officers of the Company shall consist of a chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Law <u>the Act</u> and these Articles. |
| 128.2 | The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Law <u>the Act</u> or these Articles or as may be prescribed by the Board. |
| 130 | A provision of the Law <u>the Act</u> or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary. |
| 131 | The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the Law <u>the Act</u> or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the Law <u>the Act</u> . |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
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| 136 | Subject to the Law <u>the Act</u> , the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board. |
| 137 | Dividends may be declared and paid out of the profits of the Company, realized or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law <u>the Act</u> . |
| 146.1 | The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. The Company may apply the share premium account in any manner permitted by the Law <u>the Act</u> . The Company shall at all times comply with the provisions of the Law <u>the Act</u> in relation to the share premium account. |
| 149 | The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Law <u>the Act</u> : |
| 150 | The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Law <u>the Act</u> or necessary to give a true and fair view of the Company's affairs and to explain its transactions. |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
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| 155.1 | At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor <u>the next annual general meeting</u> . Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. |
| 155.2 | A person, other than a retiring Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than fourteen (14) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the retiring Auditor. |
| 155.3 <u>155.2</u> | The Members may, at any general meeting convened and held in accordance with these Articles, by special <u>ordinary</u> resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term. |
| 156 | Subject to the Law <u>the Act</u> the accounts of the Company shall be audited at least once in every year. |
| 157 | The remuneration of the Auditor shall be fixed by the Company in general meeting <u>by ordinary resolution</u> , or <u>subject to the rules of any Designated Stock Exchange</u> , in such manner as the Members may determine. |

| Article Number | Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 158 | <p>If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene an extraordinary general meeting to fill the vacancy. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 155.2, an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 155.1 at such remuneration to be determined by the Members under Article 157.</p> |
| 166.2 | <p>If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Law<u>the Act</u>, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that 110 contributory shall be compelled to accept any shares or other property in respect of which there is a liability.</p> |

Provisions in the amended and restated Memorandum and Articles of Association proposed to be adopted by the Company (showing changes to the existing Articles of Association)

Article Number

FINANCIAL YEAR

168 Unless otherwise determined by the Directors, the financial year end of the Company shall be 31 of December in each year.

~~168~~169 No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.

~~169~~170 No Member shall be entitled to require discovery of or any information respecting any detail of the Company’s trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Royale Home Holdings Limited (the “**Company**”) will be held at the Room 607, 6/F, Tsim Sha Tsui Centre West Wing, 66 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 6 June 2022 at 3:00 p.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2021;
2. to declare a final dividend of HK1 cent per Share and a special dividend of HK4 cents per Share for the year ended 31 December 2021 to the shareholders of the Company which shall be distributed from the share premium of the Company and is expected to be paid on or about Friday, 29 July 2022;
3.
 - (a) to re-elect Mr. Yang Jun as an executive Director;
 - (b) to re-elect Ms. Qin You as a non-executive Director;
 - (c) to re-elect Mr. Chen Yisheng as a non-executive Director;
 - (d) to re-elect Mr. Lau Chi Kit (who has served the Company as an independent non-executive Director for more than nine years) as an independent non-executive Director; and
 - (e) to authorise the board of Directors to fix the Directors’ remuneration;
4. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

and, as special business, to consider and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. “**THAT:**

- (a) subject to paragraph (c) below, pursuant and subject to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue, grant, distribute and deal with new shares of the Company (the “**Shares**”) and to make, issue or grant offers, agreements, options (including bonds, warrants and debentures convertible into Shares) and rights of exchange or conversion, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make, issue or grant offers, agreements, options (including bonds, warrants and debentures convertible into Shares) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of the Shares allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to options, conversion or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme or similar arrangement of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the total number of the Shares of the Company in issue on the date of the passing of this resolution; and
 - (bb) (provided that resolution no. 7 is passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the total number of the Shares of the Company in issue on the date of the passing of this resolution),

NOTICE OF ANNUAL GENERAL MEETING

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange under the Hong Kong Code on Share Buy-backs for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase the Shares at a price determined by the Directors;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the total number of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the total number of the Shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (d) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
7. “**THAT** subject to the ordinary resolutions nos. 5 and 6 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue, grant, distribute and deal with new Shares pursuant to resolution no. 5 above be and is hereby extended by the addition thereon of an amount representing the total number of the Shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 6, provided that such amount shall not exceed 10% of the total number of the issued Shares on the date of the passing of resolution no. 6.”

and, as special business, to consider and, if thought fit, pass the following resolution as a special resolution:

SPECIAL RESOLUTION

8. “**THAT:**
- (a) the proposed amendments to the memorandum and articles of association of the Company as set out in Appendix III to the circular of the Company dated 29 April 2022 (the “**Amendments**”) be and are hereby approved with immediate effect after the close of this meeting;
 - (b) the amended and restated memorandum and articles of association of the Company (incorporating the Amendments), a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of this meeting for the purpose of identification (the “**Amended and Restated Memorandum and**

NOTICE OF ANNUAL GENERAL MEETING

Articles of Association”) be and are hereby approved and adopted in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect after close of this meeting; and

- (c) any one of the Directors be and is hereby authorised to do all such acts and things and execute and deliver all relevant documents for and on behalf of the Company as he/she considers necessary, desirable, appropriate or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Amendments and the Company’s adoption of the Amended and Restated Memorandum and Articles of Association.”

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

Hong Kong, 29 April 2022

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Room 607, 6/F
Tsim Sha Tsui Centre West Wing
66 Mody Road, Tsim Sha Tsui East
Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, at the offices of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.

The Register of Members of the Company will be closed from Monday, 30 May 2022 to Thursday, 2 June 2022, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to attend and vote at annual general meeting. In order to be eligible to attend and vote at the forthcoming annual general meeting to be held on Monday, 6 June 2022, all transfers documents accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Friday, 27 May 2022.

3. In relation to proposed resolution no. 3 above, Mr. Yang Jun, Ms. Qin You, Mr. Chen Yisheng and Mr. Lau Chi Kit will retire from their offices of Directors at the above meeting pursuant to article 86.3 and 87 of the articles of association of the Company. Mr. Yang Jun, Ms. Qin You, Mr. Chen Yisheng and Mr. Lau Chi Kit being eligible, will offer themselves for re-election.

NOTICE OF ANNUAL GENERAL MEETING

4. In relation to proposed resolutions nos. 5 and 7 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under The Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). The Directors have no immediate plans to issue any Shares other than the Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme as may be approved by shareholders.
5. In relation to proposed resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular.
6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the annual general meeting shall be voted by poll.