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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)

AMENDMENTS TO PERFORMANCE SHARE AWARD PLAN

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The Board is pleased to announce that on 12 May 2026, the Board passed a resolution to amend the Performance Share Award Plan, which includes: (1) extending the duration of the Performance Share Award Plan for a further 5 years to 12 May 2031; and (2) removing the provisions in the Performance Share Award Plan relating to the issue or allotment of new Shares to the Trustee under the Performance Share Award Plan, such that the Performance Share Award Plan becomes a share scheme involving only the acquisition of existing Shares of the Company by the Trustee from the stock market as awarded Shares. Save for the amendments above, other terms of the Performance Share Award Plan remain unchanged.

The Performance Share Award Plan was adopted on 14 May 2021 and, unless terminated earlier, shall remain valid and effective for a period of 5 years commencing from the Adoption Date subject to any early termination.

As at the date of this announcement, (i) no award has been granted to any Eligible Persons under the Performance Share Award Plan since the adoption of the Performance Share Award Plan; and (ii) 120,690,000 Shares are held by the Trustee on trust. All the aforesaid Shares are existing Shares acquired by the Trustee appointed by the Company from the market, and no new Shares have been issued. The Company currently has no plans to grant awards in respect of the Shares held by the Trustee.

Pursuant to the terms of the Performance Share Award Plan, the Performance Share Award Plan may be amended in any respect by a resolution of the Board provided that no such amendment shall materially and adversely affect any rights of any Selected Persons under the Performance Share Award Plan.

The purpose of the Performance Share Award Plan is to recognise and reward the contribution of certain Eligible Persons towards the growth and development of the Group through an award of Shares.

The Administration Committee may at any time notify and instruct the Trustee to purchase Shares on the Stock Exchange at such price range as the Administration Committee deems appropriate.

Pursuant to the terms of the Performance Share Award Plan, the duration of the Performance Share Award Plan will end on 12 May 2031, unless the Board decides to terminate the Performance Share Award Plan earlier or the Directors resolve to renew the duration of the Performance Share Award Plan.

LISTING RULES IMPLICATIONS

The amended Performance Share Award Plan does not constitute a share scheme involving the issue of new Shares under Chapter 17 of the Listing Rules, and therefore the amendments to the Performance Share Award Plan are not subject to Shareholders' approval under Chapter 17 of the Listing Rules. The amended Performance Share Award Plan is subject to applicable disclosure requirements under Rule 17.12 of the Listing Rules.

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A summary of the principal terms of the Performance Share Award Plan is set out below:

Purpose of the Performance Share Award Plan

The purpose of the Performance Share Award Plan is to recognise and reward the contribution of certain Eligible Persons towards the growth and development of the Group through an award of Shares.

Administration

The Performance Share Award Plan shall be subject to the administration of the Administration Committee in accordance with the rules of the Performance Share Award Plan. The Administration Committee is delegated with the power and authority by the Board to administer the Performance Share Award Plan. The Administration Committee comprises senior management of the Group.

Participants

The Administration Committee may, in its absolute discretion, make an award to any full-time employee of the Group, including Directors, executives, officers or senior management of the Group. Notwithstanding the foregoing, in no event shall awards be made to Directors or the chief executive officer of the Company.

The eligibility of any of the Eligible Persons to an award shall be determined by the Administration Committee from time to time on the basis of its opinion as to the Eligible Persons' contribution to the development and growth of the Group and with reference to factors including integrity (including criminal or compliance background) or employment status with the Group of such Eligible Persons.

The Eligible Person(s) selected ("**Selected Person(s)**") for awards shall be individual employee(s) excluding Directors and the chief executive officer of the Company.

Award of Shares

The Administration Committee shall, subject to and in accordance with the provisions of the Performance Share Award Plan, be entitled (but shall not be bound) to, at any time during the continuation of the Performance Share Award Plan, make an award to any of the Eligible Persons of such number of issued Shares, fully paid or credited as fully paid, as the Administration Committee shall determine pursuant to the Performance Share Award Plan. Notwithstanding the power of the Administration Committee, the Remuneration Committee is delegated with an overriding power in determining or supervising the making of any award under the Performance Share Award Plan.

In the event that a Selected Person or his/her associate(s) is a member of the Administration Committee, such person will abstain from voting on any approval by the Administration Committee of an award of Shares to such Selected Person. The Board may by resolutions appoint any one or more senior management of the Company as authorised representative(s) to give instructions or notices to the Trustee on all matters in connection with the Performance Share Award Plan and other matters in the routine administration of the Trust.

Pool of Awarded Shares

Upon the receipt of an award notice, the Trustee shall set aside the awarded Shares provisionally awarded to the Selected Person to whom such award notice relates pending the transfer and vesting of the awarded Shares to which such award notice relates. The Trustee shall hold the awarded Shares so set aside during the vesting period on the terms of the Trust Deed. The Trustee may, at any time during the continuation of the Performance Share Award Plan and the Trust Deed, purchase existing Shares from the stock market; and/or set aside the appropriate number of awarded Shares out of a pool of issued Shares held by the Trustee pursuant to the Trust Deed.

Satisfaction of Awards under the Performance Share Award Plan

Subject to the restrictions as set out in the paragraph headed "Restrictions on the time of making awards and/or vesting", the Administration Committee may at any time notify and instruct the Trustee to purchase existing Shares from the stock market of the Stock Exchange at such price range as the Administration Committee deems appropriate.

The Directors shall procure that adequate funds are paid out of the Company's resources to the Trustee to enable the Trustee to purchase the appropriate number of Shares in order to satisfy the outstanding awards from time to time made under the Performance Share Award Plan.

Restrictions on the Time of Making Awards and/or Vesting

For so long as the Shares are listed on the Stock Exchange, no award may be made or vested and no instructions to acquire Shares shall be made (regardless of whether with the consent of the Board, the Administration Committee or the Remuneration Committee or not), (1) after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been made available to the public domain in accordance with the requirements under the Listing Rules or (2) during blackout periods for directors' dealings under the model code set out in Appendix C3 to the Listing Rules or (3) in any circumstance which is prohibited under the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or any other laws or regulations or where any requisite approval from any governmental or regulatory authority has not been granted.

Vesting of Awarded Shares

Subject to restrictions as set out in the paragraph headed "Lapse of Awards", the Trustee shall transfer to and vest in any Selected Person(s) the legal and beneficial ownership of the awarded Shares to which such Selected Person is entitled under the relevant award and all the Other Distributions (as defined below) attributable to such awarded Shares within 10 business days after the latest of:

(a) the earliest date on which the Trustee may vest the legal and beneficial ownership of the awarded Shares with the relevant Selected Person as specified in the award notice;

(b) the date on which the condition(s) or performance target(s) (if any) to be attained by such Selected Person as specified in the related award notice have been attained and notified to the Trustee by the Administration Committee in writing; and

(c) where applicable, the date on which the Trustee has completed the purchase of Shares for the purpose of making the relevant award.

The Selected Person(s) shall only be entitled to exercise all voting rights in the awarded Shares upon such awarded Shares being transferred to him/her.

During the vesting period:

(a) any dividends and other distributions (the "**Other Distributions**") declared and made in respect of any awarded Shares shall be held by the Trustee as trust fund under the Trust Deed; and

(b) the Administration Committee and/or the Board would not give any instruction to the Trustee as to voting with respect to the Shares held on trust by the Trustee and the Trustee shall not exercise any voting rights in the Shares whatsoever (regardless of whether instructions have been given by the Administration Committee and/or the Directors) so long as the Shares are not vested in the Selected Person(s).

Plan Limit

The total number of Shares held by the Trustee under the Performance Share Award Plan will not exceed 5% of the total issued Shares on the Date of Amendment.

The accumulated number of Shares which may be awarded to a Selected Person under the Performance Share Award Plan shall not exceed 1% of the number of issued Shares from time to time.

Duration of the Performance Share Award Plan

Pursuant to the terms of the Performance Share Award Plan, the duration of the Performance Share Award Plan will end on 12 May 2031, unless the Board decides to terminate the Performance Share Award Plan earlier or the Directors resolve to renew the duration of the Performance Share Award Plan.

Lapse of Awards

In the event that the condition(s) or performance target(s) are not attained by any relevant Selected Person before the deadline as specified in the relevant award notice or upon any illegality, breaches of laws and regulations, termination of employment or such other situation as the Board or the Remuneration Committee may deem appropriate, an award made to such Selected Person shall forthwith lapse and be cancelled.

Termination of the Performance Share Award Plan

The Directors may by resolution at any time terminate the operation of the Performance Share Award Plan and in such event no further awards shall be made provided that such termination shall not affect any subsisting rights of any Selected Person(s) in respect of any award made to him/her prior to such termination.

After receiving the notice of termination, the Trustee shall sell such Shares and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company.

LISTING RULES IMPLICATIONS

The amended Performance Share Award Plan does not constitute a share scheme involving the issue of new Shares under Chapter 17 of the Listing Rules, and therefore the amendments to the Performance Share Award Plan are not subject to Shareholders' approval under Chapter 17 of the Listing Rules. The amended Performance Share Award Plan is subject to applicable disclosure requirements under Rule 17.12 of the Listing Rules.

DEFINITIONS

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

"Administration Committee"	the committee of the Company which is delegated with the power and authority by the Board to administer the Performance Share Award Plan;
"Adoption Date"	14 May 2021, being the date on which the Board adopted the Performance Share Award Plan;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"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;
"Date of Amendment"	12 May 2026, being the date on which the Board approved and adopted the amended Performance Share Award Plan;
"Directors"	the directors of the Company;
"Eligible Person(s)"	has the meaning ascribed to it under the paragraph headed "Participants" of this announcement, but excluding any Director, employee, executive or officer of the Group who is resident in a place where the vesting of any Share in such Director, employee, executive or officer pursuant to the terms of the Performance Share Award Plan is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such employee, executive or officer;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Performance Share Award Plan"	the Performance Share Award Plan of the Company adopted by the Board on the Adoption Date and amended on the Date of Amendment, the principal terms of which are set out in this announcement;
"Remuneration Committee"	the remuneration committee of the Board which is delegated with the overriding power and authority by the Board to supervise the Performance Share Award Plan;
"Selected Person(s)"	has the meaning ascribed to it under the paragraph headed "Participants" of this announcement;
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Trust"	the trust constituted by the Trust Deed under which the Trustee shall hold the awarded Shares on trust for Selected Persons;
"Trust Deed"	a trust deed constituting the Performance Share Award Plan entered into between the Company and the Trustee (as amended from time to time); and
"Trustee"	a trustee appointed by the Board to manage the Performance Share Award Plan and any additional or replacement trustee(s), being the trustee(s) for the time being of the Trust.

By order of the Board
Royale Home Holdings Limited
Lin Ruhai
Chairman and Executive Director

Hong Kong, 12 May 2026

As at the date of this announcement, the Board comprises one executive Director, namely, Mr. Lin Ruhai (Chairman); four non-executive Directors, namely, Mr. Wu Zhongming, Mr. Tao Ying, Ms. Yang Ying and Mr. Yan Weihao; and three independent non-executive Directors, namely, Mr. Lau Chi Kit, Mr. Yue Man Yiu Matthew and Mr. Chan Wing Tak Kevin.

* *For identification purpose only*