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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

Reference is made to the annual report of Royale Home Holdings Limited (the “**Company**”) for the year ended 31 December 2022 (the “**Annual Report**”) published on 27 April 2023. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as those defined in the Annual Report.

In addition to the information contained in the Annual Report, the Board would like to provide the following supplementary information to the Shareholders and potential investors of the Company.

#### **PERFORMANCE SHARE AWARD PLAN**

##### **Acceptance price**

No price is payable by the Selected Persons upon acceptance of awarded Shares granted under the Performance Share Award Plan.

##### **Purchase price to be paid by the relevant Selected Person for the awarded Shares**

The subscription price (if any) to be paid by the relevant Selected Person for the relevant awarded Shares shall be determined by the Administration Committee with reference to the applicable rules and regulations, the market price of the Shares and the remuneration level of the relevant Selected Person.

## **Review by Remuneration Committee**

The remuneration committee of the Board is tasked within its term of reference to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The remuneration policy and package of the Group's employees are periodically reviewed by the remuneration committee. The remuneration committee has reviewed the remuneration policy and package of the Group, including an assessment of individual performance, attractiveness of the rewards offered by the Company, talent retention and incentivization, the financial condition and performance of the Group. No share awards and share options were recommended to be awarded by the remuneration committee during the year ended 31 December 2022.

## **SHAREHOLDER'S LOAN**

Reference is made to the announcement of the Company dated 5 January 2022.

Pursuant to a letter of confirmation dated 5 January 2022 entered into between Wanlibao, a wholly-owned subsidiary of the Company and Gangke, a joint venture the equity interest in which is held as to 40% and 60% by Wanlibao and Jiangsu Ganglong Huayang Real Estate Co., Ltd.\* (“**Jiangsu Ganglong**”, 江蘇港龍華揚置業有限公司), respectively, the parties have agreed and confirmed the provision of the Shareholder's Loan in the principal amount of up to RMB732 million and that certain previous contributions made shall be deemed to be and construed as advances provided by Wanlibao to the Gangke under the Shareholder's Loan (and the date of such advances shall be deemed to be and construed as the date of drawdown under the Shareholder's Loan).

The principal terms of the Shareholder's Loan are set out below:

Principal amount	:	Up to RMB732 million.
Drawdown	:	More than one drawdown may be made under the Shareholder's Loan. The Shareholder's Loan is a revolving loan.
Interest Rate	:	8% per annum.
Repayment	:	Repayable on demand.
Collateral	:	The Shareholder's Loan is not secured by any collateral.

## **Reasons for the provision of the Shareholder's Loan**

Gangke represents an investment in an associate of the Company. Its equity interest is held as to 40% and 60% by Wanlibao (a wholly-owned subsidiary of the Company) and Jiangsu Ganglong.

Pursuant to a joint venture agreement dated 27 October 2020 (the “**JV Agreement**”), the parties agreed to establish Gangke for the purpose of acquiring a parcel of land situated at Hengling Village, Shitan Town, Zengcheng District, Guangzhou\* (廣州市增城區石灘鎮橫嶺村) of residential (and commercial) uses with a total land area of approximately 196,435.11 square metres (the “**Target Land Parcel**”). Gangke has successfully acquired the Target Land Parcel at the public auction held on 11 November 2020.

Under the JV Agreement, the maximum commitment of Wanlibao to the Gangke, determined based on the shareholding percentage of Wanlibao in the Gangke (i.e. 40%), amounts to RMB1.532 billion (the “**Total Commitment**”). The Shareholder’s Loan, being a part of the Total Commitment, represents a commitment and obligation of the Group under the JV Agreement, which is binding on the Group.

The Company considered that the establishment of Gangke represented an excellent investment opportunity to the Group, through which the Group will be able to hold an investment interest in Gangke and enjoy the estimated earnings of the development project in relation to the Target Land Parcel. With the Group’s familiarity with and long-established presence in the Zengcheng District, and taking into account Jiangsu Ganglong’s expertise and experience in property development projects; it is expected that the parties will exert their respective advantages and contribute to the successful development of the Gangke and the Target Land Parcel.

Based on the above, the Directors considered that the terms of the payment of the Total Commitment (including the Shareholder’s Loan) under the JV Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By order of the Board  
**Royale Home Holdings Limited**  
**Yang Jun**

*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 3 August 2023

*As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Yang Jun (Chairman) and Mr. Tse Kam Pang (Co-Chairman); four non-executive directors, namely, Mr. Wu Zhongming, Ms. Qin You, Mr. Chen Yisheng and Mr. Tao Ying; and three independent non-executive directors, namely, Mr. Lau Chi Kit, Mr. Yue Man Yiu Matthew and Mr. Chan Wing Tak Kevin.*

\* *for identification purposes only*