

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

This announcement is made by Royale Home Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review by the Board on the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2023, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and taking into account the information currently available to the Board, it is estimated that the Group will record a loss for the year approximately RMB380 million, as compared to the profit for the year of approximately RMB10.6 million (equivalent to approximately HK\$12.4 million) for the year ended 31 December 2022.

The turnaround from profit to loss was primarily attributable to (i) a significant drop in overall gross profit margin primarily due to a poor business environment and sluggish market, leading to discounted selling prices and increase in cost of production of furniture products; (ii) an increase in selling and distribution expenses and administrative expenses (including internal restructuring costs); (iii) a reduction in reversal of over-provision of income tax; (iv) an increase in general provision on trade receivables, other receivables and inventories; (v) revaluation loss in respect of investment properties; (vi) increase in share of losses of associates; and (vii) increase in finance cost.

As the Company is still in the process of finalizing the unaudited consolidated final results of the Group for the year ended 31 December 2023, the information contained in this announcement is only based on the information currently available to the Board and the

preliminary review by the Board on the unaudited management accounts of the Group for the year ended 31 December 2023, which have not been reviewed or audited by the independent auditors of the Company and/or the audit committee of the Board.

The actual financial results of the Group for the year ended 31 December 2023 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the results of the Group for the year ended 31 December 2023, which is expected to be published in March 2024 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Royale Home Holdings Limited
Lin Ruhai

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 21 March 2024

As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Lin Ruhai (Chairman) and Mr. Tse Kam Pang (Co-Chairman); four non-executive directors, namely, Mr. Wu Zhongming, Mr. Tao Ying, Mr. Yao Jingming and Ms. Yang 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*