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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)

PROPOSED APPOINTMENT OF CHAIRMAN AND PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

PROPOSED APPOINTMENT OF CO-CHAIRMAN

The board (the “**Board**”) of directors (the “**Director(s)**”) of Royale Home Holdings Limited (the “**Company**” together with its subsidiaries, collectively the “**Group**”) announces that with effect from the date on which the proposed amendment to the articles of association of the Company takes effect: (i) Mr. Yang Jun (“**Mr. Yang**”) has been appointed (the “**Appointment**”) as Chairman of the Company (the “**Chairman**”); and (ii) Mr. Tse Kam Pang (“**Mr. Tse**”) has been re-designated (the “**Re-designation**”) from Chairman to co-chairman of the Company (the “**Co-Chairman**”).

The biographical details of Mr. Yang and Mr. Tse are as follows:

Mr. Yang Jun, aged 51, graduated from Zhongnan University of Economics and Law in 2001, majoring in accounting. Mr. Yang is a qualified accountant and has over 30 years of working experience in accounting, corporate management, internal control, corporate investment and corporate finance.

Mr. Yang is a director of certain subsidiaries of the Company, including Guangzhou Fuli Furniture Company Limited* (廣州富利傢俱有限公司), Guangzhou Yufa Furniture Company Limited* (廣州裕發家具有限公司) and Guangzhou Huangchao Yuyuan Hotel Co., Ltd* (廣州皇朝御苑酒店有限公司). He was initially appointed as a non-executive Director on 29 August 2019 and was subsequently re-designated from a non-executive Director to an executive Director and the Chief Executive Officer of the Company with effect from 11 October 2019. Prior to joining the Group, Mr. Yang served as Deputy General Manager of Financial Assets Department of Science City (Guangzhou) Investment Group Co., Ltd.* (科學城(廣州)投

資集團有限公司) (a controlling shareholder of the Company), Chairman of Science City (Guangzhou) Financial Leasing Co., Ltd.* (科學城(廣州)融資租賃有限公司) and other positions, and was forward-looking and innovative in enterprise strategic planning.

Mr. Yang has entered into a service agreement with the Company for a fixed term of 3 years, and is subject to retirement by rotation and re-election at annual general meetings in accordance with the articles of association of the Company. Mr. Yang's was entitled to a remuneration of RMB420,000 per annum, which was determined by the Board at the recommendation of the remuneration committee of the Company with reference to his duties and responsibilities in the Company, his experience and qualifications and the prevailing market situation.

Mr. Tse Kam Pang, aged 68, is the Chairman and an executive Director. Prior to the founding of the Group in 1997, he previously held the position of the Deputy Managing Director in a public listed company in Hong Kong. He has over 30 years of experience in the international trade and China trade business. He has been appointed as a director of subsidiaries of the Company in China and Hong Kong. He is a vice chairman of Hong Kong Furniture Association. He is also a vice president of Hong Kong Chiu Chow Chamber of Commerce. Mr. Tse has been appointed as the chairman of the board and an executive director of Morris Home Holdings Limited (stock code: 1575), the shares of which are listed on The Stock Exchange of Hong Kong Limited, with effect from 17 October 2022.

As at the date of this announcement, Mr. Tse beneficially and indirectly through his controlled entities (i.e. Charming Future Holdings Limited (“**Charming Future**”), Crisana International Inc (“**Crisana**”) and Leading Star Global Limited (“**Leading Star**”)) holds an aggregate of 710,528,316 shares of the Company. Science City (Hong Kong) Investment Co. Limited (“**SCHK**”) is interested in 1,234,862,964 shares of the Company. 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, Mr. Tse is deemed to be interested in 1,945,391,280 shares (representing 74.86% of the issued share capital of the Company).

Save as disclosed above, each of Mr. Yang and Mr. Tse (i) does not hold other position with the Company or its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company; (ii) does not have or be deemed to have interest in any shares of the Company, underlying shares or debentures of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong); (iii) does not hold any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not have any other major appointments or professional qualifications.

Save as disclosed in this announcement, so far as the Directors are aware, there are no matters concerning the Appointment or the Re-designation that need to be brought to the attention of the shareholders of the Company nor is there any information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Code Provision C.2.1 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the “**CG Code**”) provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company notes that following the taking effect of the Appointment and the Re-designation, Mr. Yang will be both the Chairman and chief executive officer of the Company (the “**CEO**”). Mr. Yang, in addition to his duties as Chairman, will also be responsible for the corporate strategic planning and overall business development of the Group as CEO. Mr. Yang has extensive experience and his duties of overseeing the Group’s operations are considered to be beneficial to the Group. The Company considers having Mr. Yang acting as both Chairman and CEO will provide strong and consistent leadership to the Group and facilitate the efficient execution of business strategies within the Group. Since the Directors would meet regularly to consider major matters affecting operations of the Company, the Directors and the management of the Company believe that this structure will enable the Company to make and implement decisions promptly and efficiently. As a result, the Company currently does not propose to separate the functions of Chairman and CEO. The Board will continue to review and consider splitting the roles of Chairman and CEO at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Upon the Appointment and the Re-designation taking effect, Mr. Yang and Mr. Tse will jointly lead the Board leveraging their expertise and experience. They will be jointly responsible for formulating the Group’s general business model and the overall strategies, while overseeing the overall performance of the Group. Mr. Yang and Mr. Tse will also jointly undertake and perform the roles of the chairman for the purposes of the CG Code and the Listing Rules.

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

Based on the advice of the Company’s legal advisers as to the laws of the Cayman Islands, the Company intends to amend the articles of association of the Company at a general meeting to be convened by the Company in due course for the purpose of establishing and facilitating the dual-chairmen structure for the Company in view of the Appointment and the Re-designation by way of the adoption of the second amended and restated articles of association of the Company (the “**Proposed Amendment**”). The Proposed Amendment is subject to the approval of the shareholders of the Company by way of a special resolution at the general meeting to be convened by the Company.

By order of the Board
Royale Home Holdings Limited
Chui See Lai
Company Secretary

Hong Kong, 19 May 2023

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Tse Kam Pang (Chairman) and Mr. Yang Jun; four non-executive Directors, namely, Mr. Wu Zhongming, 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*