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**SCIENCE CITY
(HONG KONG)
INVESTMENT
CO. LIMITED**

*(Incorporated in
Hong Kong)*

**MR. TSE
KAM
PANG**

**LEADING
STAR
GLOBAL
LIMITED**

*(Incorporated
in the British
Virgin Islands)*

**CRISANA
INTERNATIONAL
INC.**

*(Incorporated
in the British
Virgin Islands)*

**CHARMING
FUTURE
HOLDINGS
LIMITED**

*(Incorporated
in the British
Virgin Islands)*



**皇朝傢俬
ROYALE FURNITURE
HOLDINGS LIMITED**

*(Incorporated in Cayman
Islands with limited liability)*

(Stock Code: 1198)

JOINT ANNOUNCEMENT

- (1) CLOSE OF UNCONDITIONAL MANDATORY CASH OFFER BY ABCI CAPITAL LIMITED FOR AND ON BEHALF OF SCIENCE CITY (HONG KONG) INVESTMENT CO. LIMITED, MR. TSE KAM PANG, LEADING STAR GLOBAL LIMITED, CRISANA INTERNATIONAL INC. AND CHARMING FUTURE HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN ROYALE FURNITURE HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY SCIENCE CITY (HONG KONG) INVESTMENT CO. LIMITED, MR. TSE KAM PANG, LEADING STAR GLOBAL LIMITED, CRISANA INTERNATIONAL INC. AND CHARMING FUTURE HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH THEM);**
- (2) PUBLIC FLOAT; AND**
- (3) APPOINTMENT AND RESIGNATION OF DIRECTORS**

Financial adviser to the Joint Offerors



CLOSE OF THE OFFER AND THE LEVEL OF ACCEPTANCE

The Offer made by ABCI on behalf of the Joint Offerors was closed at 4:00 p.m. on Thursday, 29 August 2019 and was not revised or extended by the Joint Offerors.

At 4:00 p.m. on Thursday, 29 August 2019, being the latest time and date for acceptance of the Offer, the Joint Offerors had received valid acceptances in respect of a total of 800,952,874 Shares under the Offer, representing approximately 30.82% of the total issued share capital of the Company as at the date of this joint announcement.

Upon close of the Offer and as at the date of this joint announcement, the Joint Offerors and parties acting in concert with them were interested in, held, controlled or directed 2,196,991,280 Shares, representing 84.55% of the entire issued share capital of the Company as at the date of this joint announcement.

PUBLIC FLOAT

Immediately after the close of the Offer, subject to the due registration of the transfer of the Offer Shares (in respect of which valid acceptances have been received), 398,570,046 Shares, representing approximately 15.34% of the entire issued share capital of the Company, are held by the public (as defined in the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. The directors of the Joint Offerors will take appropriate steps to ensure that sufficient public float exists in the Shares as soon as possible following the close of the Offer. Further announcement(s) will be made by the Company regarding restoration of public float in the Shares as and when appropriate in accordance with the Listing Rules.

APPOINTMENT AND RESIGNATION OF DIRECTORS

With effect immediately after the close of the Offer on Thursday, 29 August 2019:

1. Mr. Tse Hok Kan resigned as an executive Director;
2. Mr. Chan Wing Kit resigned as an executive Director;
3. Ms. Yu Yinghong has been appointed as an executive Director;
4. Mr. Wu Zhongming has been appointed as a non-executive Director;
5. Mr. Yang Jun has been appointed as a non-executive Director;
6. Ms. Qin You has been appointed as a non-executive Director; and
7. Mr. Liu Zhijun has been appointed as a non-executive Director.

Reference is made to the composite offer and response document dated 8 August 2019 jointly issued by the Company and the Joint Offerors (the “**Composite Document**”). Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE OFFER AND THE LEVEL OF ACCEPTANCE

The Offer made by ABCI on behalf of the Joint Offerors was closed at 4:00 p.m. on Thursday, 29 August 2019 and was not revised or extended by the Joint Offerors.

At 4:00 p.m. on Thursday, 29 August 2019, being the latest time and date for acceptance of the Offer, the Joint Offerors had received valid acceptances in respect of a total of 800,952,874 Shares under the Offer, representing approximately 30.82% of the total issued share capital of the Company as at the date of this joint announcement.

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Shares under the Offer have been posted, or will be posted (as the case may be) to the relevant Independent Shareholders by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid in accordance with the Takeovers Code.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the commencement of the Offer Period, the Joint Offerors and parties acting in concert with them were interested in a total of 744,557,089 Shares, representing 28.65% of the issued share capital of the Company as at the date of this announcement.

Immediately after the Sale and Purchase Completion and Subscription Completion and before the commencement of the Offer, the Joint Offerors and parties acting in concert with them were interested in a total of 1,396,038,406 Shares, representing 53.72% of the issued share capital of the Company.

Upon the close of Offer and as at the date of this joint announcement, taking into account the valid acceptances in respect of 800,952,874 Shares under the Offer (subject to completion of the transfer of those Shares to the Joint Offerors), the Joint Offerors and parties acting in concert with them are interested in 2,196,991,280 Shares, representing approximately 84.55% of the issued share capital of the Company.

Save as aforesaid, the Joint Offerors and parties acting in concert with them had not acquired or agreed to acquire any Shares or rights over Shares during the Offer Period and there are no rights over Shares held, controlled or directed by the Joint Offerors and parties acting in concert with them before the commencement of the Offer Period. The Joint Offerors and parties acting in concert with them had not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period.

Set out below is the shareholding structure of the Company: (i) immediately after the Sale and Purchase Completion and Subscription Completion and before the commencement of the Offer; and (ii) upon the close of the Offer and as at the date of this joint announcement:

	(i) Immediately after the Sale and Purchase Completion and Subscription Completion and before the commencement of the Offer		(ii) Upon the close of the Offer (subject to completion of the transfer of those Shares to the Joint Offerors)	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
The Joint Offerors and parties acting in concert with them				
SCHK (a Joint Offeror)	651,481,317	25.07%	1,400,462,964	53.89%
Mr. Tse and his controlled companies (a Joint Offeror)				
<i>Mr. Tse</i>	348,948,047	13.43%	348,948,047	13.43%
<i>Leading Star</i>	–	–	51,971,227	2.00%
<i>Crisana</i>	185,840,120	7.15%	185,840,120	7.15%
<i>Charming Future</i>	209,768,922	8.07%	209,768,922	8.07%
Sub-total	744,557,089 <i>(note 1)</i>	28.65%	796,528,316 <i>(note 2)</i>	30.65%
Director				
Yue Man-Yiu, Matthew	5,267,096	0.24%	3,000,000	0.12%
Other Shareholders	1,197,255,824	46.04%	398,570,046	15.34%
Total	<u>2,598,561,326</u>	<u>100.00%</u>	<u>2,598,561,326</u>	<u>100.00%</u>

Notes:

- Among the 744,557,089 Shares, 348,948,047 Shares (representing 13.43% of the issued share capital of the Company), are directly beneficially owned by Mr. Tse, none by Leading Star, 185,840,120 Shares are held by Crisana and 209,768,922 Shares are held by Charming Future. Leading Star, Crisana and Charming Future are all companies wholly and beneficially owned by Mr. Tse. As such, Mr. Tse is deemed to be interested in the 744,557,089 Shares.
- Among the 796,528,316 Shares, 348,948,047 Shares (representing 13.43% of the issued share capital of the Company), are directly beneficially owned by Mr. Tse, 51,971,227 Shares are held by Leading Star, 185,840,120 Shares are held by Crisana and 209,768,922 Shares are held by Charming Future. Leading Star, Crisana and Charming Future are all companies wholly and beneficially owned by Mr. Tse. As such, Mr. Tse is deemed to be interested in the 796,528,316 Shares.

PUBLIC FLOAT

Immediately after the close of the Offer, subject to the due registration of the transfer of the Offer Shares (in respect of which valid acceptances have been received), 398,570,046 Shares, representing approximately 15.34% of the entire issued share capital of the Company,

are held by the public (as defined in the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for. The directors of the Joint Offerors will take appropriate steps to ensure that sufficient public float exists in the Shares as soon as possible following the close of the Offer. Further announcement(s) will be made by the Company regarding restoration of public float in the Shares as and when appropriate in accordance with the Listing Rules.

APPOINTMENT AND RESIGNATION OF DIRECTORS

The Board hereby announces that with effect immediately after the close of the Offer on Thursday, 29 August 2019:

1. Mr. Tse Hok Kan resigned as an executive Director;
2. Mr. Chan Wing Kit resigned as an executive Director;
3. Ms. Yu Yinghong has been appointed as an executive Director;
4. Mr. Wu Zhongming has been appointed as a non-executive Director;
5. Mr. Yang Jun has been appointed as a non-executive Director;
6. Ms. Qin You has been appointed as a non-executive Director; and
7. Mr. Liu Zhijun has been appointed as a non-executive Director.

The biographies of the new Directors are set out below:

Ms. Yu Yinghong (“**Ms. Yu**”), aged 51, obtained a bachelor degree in professional investment from the Zhongnan University of Economics and Law in 1990. She has over 29 years of working experience in banking, corporate finance and risk management. Ms. Yu has been the chief accountant of Science City since October 2018 and a director of SCHK since 8 April 2019.

Ms. Yu will enter into a director’s service agreement with the Company for a fixed term of one year commencing on 29 August 2019. Ms. Yu’s emolument is to be proposed by the remuneration committee of the Company with reference to her duties and responsibilities in the Company and the prevailing market situation, and to be approved by the Board. Further disclosure will be made in the subsequent interim and annual reports when available. She will hold office until the next annual general meeting of the Company and is subject to retirement by rotation and re-election at the next annual general meeting of the Company in accordance with the articles of association of the Company.

Mr. Wu Zhongming (“**Mr. Wu**”), aged 37, obtained a bachelor degree in history from the Department of History of the Sun Yat-sen University in 2005, a PhD in ancient Chinese history from the Sun Yat-sen University in 2010. Mr. Wu has been the general manager of the group strategic planning department in Science City since October 2017. Mr. Wu has been an employee director of Science City since March 2018.

Mr. Wu will enter into a director’s service agreement with the Company for a fixed term of one year commencing on 29 August 2019. He will not receive any remuneration for acting as non-executive Director. He will hold office until the next annual general meeting of the Company and is subject to retirement by rotation and re-election at the next annual general meeting of the Company in accordance with the articles of association of the Company.

Mr. Yang Jun (“**Mr. Yang**”), aged 47, graduated from the Hubei Xianning Finance and Taxation Accounting School Finance in 1991, and graduated from Zhongnan University of Economics and Law in 2001, majoring in accounting. He 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 since January 2018. Mr. Yang is a qualified accountant.

Mr. Yang will enter into a director’s service agreement with the Company for a fixed term of one year commencing on 29 August 2019. He will not receive any remuneration for acting as non-executive Director. He will hold office until the next annual general meeting of the Company and is subject to retirement by rotation and re-election at the next annual general meeting of the Company in accordance with the articles of association of the Company.

Ms. Qin You (“**Ms. Qin**”), aged 41, 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. She has over 20 years of working experience in the corporate legal field. Ms. Qin has been the deputy general manager of the legal and risk control department of Science City since August 2018. Ms. Qin is a qualified corporate legal counsel.

Ms. Qin will enter into a director’s service agreement with the Company for a fixed term of one year commencing on 29 August 2019. She will not receive any remuneration for acting as non-executive Director. She will hold office until the next annual general meeting of the Company and is subject to retirement by rotation and re-election at the next annual general meeting of the Company in accordance with the articles of association of the Company.

Mr. Liu Zhijun (“**Mr. Liu**”), aged 49, graduated from Guangzhou Staff Amateur University* (廣州市職工業餘大學) in 1992 with an associate degree in mechanical engineering. He has over 23 years of working experience in real estate property. Mr. Yang has been the deputy general manager of Guangzhou Hongkang Real Estate Property Limited Company* (廣州宏康房地產有限公司) since May 2018 and the deputy general manager of Science City (Guangzhou) Urban Renewal Limited Company* (科學城(廣州)城市更新有限公司) since May 2019. Mr. Liu is a practising Grade 2 Constructor and a qualified construction project management engineer.

Mr. Liu will enter into a director's service agreement with the Company for a fixed term of one year commencing on 29 August 2019. He will not receive any remuneration for acting as non-executive Director. He will hold office until the next annual general meeting of the Company and is subject to retirement by rotation and re-election at the next annual general meeting of the Company in accordance with the articles of association of the Company.

As at the date of this joint announcement, save as disclosed above, Ms. Yu, Mr. Wu, Mr. Yang, Ms. Qin and Mr. Liu (i) do not hold any other positions in the Company or any of its subsidiaries; (ii) have not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years; (iii) do not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) do not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, the Board is not aware of other matters relating to the appointments of Ms. Yu, Mr. Wu, Mr. Yang, Ms. Qin and Mr. Liu that need to be brought to the attention of the shareholders of the Company or the Stock Exchange, and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Company would like to extend its welcome to the new Directors to the Board.

Each of Mr. Tse Hok Kan and Mr. Chan Wing Kit confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the Shareholders and the Stock Exchange.

The Board would like to express its sincere gratitude to Mr. Tse Hok Kan and Mr. Chan Wing Kit for their valuable contributions to the Company during their respective tenure of office.

By Order of the board of SCIENCE CITY (HONG KONG) INVESTMENT CO. LIMITED Yu Yinghong <i>Director</i>	TSE KAM PANG	By Order of the board of LEADING STAR GLOBAL LIMITED Tse Kam Pang <i>Director</i>	By Order of the board of CRISANA INTERNATIONAL INC. Tse Kam Pang <i>Director</i>	By Order of the board of CHARMING FUTURE HOLDINGS LIMITED Tse Kam Pang <i>Director</i>	By Order of the board ROYALE FURNITURE HOLDINGS LIMITED Tse Kam Pang <i>Chairman and Executive Director</i>
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Hong Kong, 29 August 2019

As at the date of this joint announcement, the Board comprises two executive Directors, namely, Mr. Tse Kam Pang (Chairman) and Ms. Yu Yinghong; four non-executive Directors, namely, Mr. Wu Zhongming Mr. Yang Jun, Ms. Qin You and Mr. Liu Zhijun; and three independent non-executive Directors, namely, Dr. Donald H. Straszheim, Mr. Lau Chi Kit and Mr. Yue Man Yiu Matthew.

The Directors, Mr. Tse Hok Kan and Mr. Chan Wing Kit, jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Joint Offerors, Science City, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the respective directors of SCHK, Science City, Leading Star, Crisana and Charming Future) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, (i) the directors of SCHK are Ms. Yu Yinghong and Mr. Chen Zexian, (ii) the directors of Science City are Mr. Hong Hansong, Mr. Zhao Guangnan, Mr. Wang Congli, Mr. Ye Zhiqiang, Mr. Ma Yiyong, Mr. Wu Zhongming, Mr. Ji Yunhai and Ms. Tan Ling, (iii) the sole director of Leading Star is Mr. Tse Kam Pang, (iv) the sole director of Crisana is Mr. Tse Kam Pang, and (v) the sole director of Charming Future is Mr. Tse Kam Pang.

The directors of SCHK and the directors of Science City jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendor, the Guarantors, their respective associates and parties acting in concert with any of them and Mr. Tse, Leading Star, Crisana, Charming Future and their respective associates), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Directors, Mr. Tse Hok Kan, Mr. Chan Wing Kit, Mr. Tse or the directors of each of Leading Star, Crisana and Charming Future) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

Mr. Tse, accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to SCHK and Science City and their respective associates), and confirm, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than that expressed by the directors of SCHK or the directors of Science City) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.

** for identification purposes only*