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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)**

### **(1) INSIDE INFORMATION CUSTODIAN AGREEMENT IN RELATION TO THE PROPOSED FORMATION OF A JOINT VENTURE FOR BIDDING OF LAND AND (2) RESUMPTION OF TRADING**

This announcement is made by Royale Home Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 (Cap. 571 of the Laws of Hong Kong).

#### **CUSTODIAN AGREEMENT IN RELATION TO THE PROPOSED FORMATION OF A JOINT VENTURE FOR BIDDING OF LAND**

The Board announces that Guangzhou City Planning and Natural Resources Bureau (Zengcheng branch)\* (廣州市規劃和自然資源局增城區分局) (the “**Planning and Natural Resources Bureau**”), Guangzhou Yufa Furniture Co., Limited\* (廣州裕發家具有限公司) (“**Yufa Furniture**”), an indirect wholly-owned subsidiary of the Company, and an independent third party property developer (the “**Property Developer**”) entered into a custodian agreement (the “**Custodian Agreement**”) dated 24 August 2020.

The Property Developer and Yufa Furniture intend to establish a joint venture (the “**JV**”), for the specific purpose of participating in the bidding of the Target Land Parcel (as defined below) by way of a public land auction (the “**Bidding**”) and the development of the Target Land Parcel (as defined below). The base price of the Target Land Parcel (as defined below) is expected to be not higher than RMB3,830,000,000. The Group will take into account the internal resources and liquidity and cashflow position of the Group and the business viability and profitability of the relevant project in negotiating the terms and conditions of the JV.

Pursuant to the Custodian Agreement, the Property Developer shall within 10 days after the Custodian Agreement deposit RMB10,000,000 into a custodian account and such fund shall be under the joint custody of the parties to the Custodian Agreement.

### **Information of the Target Land Parcel**

It is expected that the total construction floor area of the Target Land Parcel will be not more than 589,305 square metres with a plot ratio of not more than 3.0, for residential and commercial uses. Reference is made to the announcement of the Company dated 18 June 2020 in relation to the land resumption of certain land parcels of the Group situated at Baishigang, Jigang Cooperative Society, Hengling Village, Shitan Town\* (石灘鎮橫嶺村基崗合作社白石崗) with a total land area of 187,575.8 square metres for industrial use (the “**Land Parcels**”). The Land Parcels will form a part of the Target Land Parcel, which will be listed for public auction after the completion of the resumption of, among others, the Land Parcels. The actual urban planning indicators shall be subject to the finally published urban planning conditions by the government.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) has been halted with effect from 9:00 a.m. on Tuesday, 25 August 2020 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 26 August 2020.

**There is no assurance that the Bidding or the JV will materialise or eventually be consummated. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares of the Company.**

By order of the Board  
**Royale Home Holdings Limited**  
**Tse Kam Pang**  
*Chairman and Executive Director*

Hong Kong, 25 August 2020

*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, Mr. Wu Dingliang, Ms. Qin You and Mr. Liu Zhijun; 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*