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# ROYALE FURNITURE HOLDINGS LIMITED

## 皇朝傢俬控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 1198)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Royale Furniture Holdings Limited (the “**Company**”) will be held at the Room 204, 2/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 18 May 2012 at 1:30 p.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2011;
2. (a) to declare and approve a final dividend for the year ended 31 December 2011 of HK8.0 cents per share (each a “**Share**”) of HK\$0.10 each in the capital of the Company;
- (b) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the Bonus Shares (as defined below) pursuant to the Bonus Issue (as defined below):
  - (i) an amount standing to the credit of the retained profits of the Company as would be required to be applied in paying up in full at par new ordinary shares (the “**Shares**”) of HK\$0.10 par value each in the capital of the Company, such Shares, credited as fully paid, to be allotted and distributed among members of the Company whose names appear on the register of members of the Company as at the close of business at 4:30 p.m. on Monday, 28 May 2012 (the “**Record Date**”) on the basis of one (1) new Share (the “**Bonus Shares**”) for every eight (8) existing Shares then held, be capitalised and applied in such manner (the “**Bonus Issue**”), and the directors of the Company be and are hereby authorised to allot and issue such Bonus Shares;
  - (ii) the Bonus Shares to be issued and allotted pursuant to paragraph (i) of this resolution shall, subject to the memorandum and articles of association of the Company, rank pari passu in all respects with the existing Shares in issue as at the Record Date, except that they will not be entitled to the proposed cash dividend of the Company for the year ended 31 December 2011 nor rank for the bonus issue of Shares mentioned in this resolution; and

\* For identification purposes only

(iii) the directors of the Company be authorised to do all acts and things as any be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining the amount to be capitalised out of the retained profits of the Company and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (i) of this resolution.

3. to re-elect Directors and to authorise the board of Directors to fix the Directors' remuneration;

4. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;

and, as special business and, if thought fit, passing the following resolutions as ordinary resolutions:

5. **“THAT:**

- (a) conditional on the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the shares (the **“Shares”**) of the Company which may fall to be issued pursuant to the New Scheme (a copy of which is produced to the meeting marked **“A”** and signed by the Chairman of this meeting for the purpose of identification) (the **“Share Option Scheme”**, the principal terms of it are described in the Appendix I to the circular dated 20 April 2012 of the Company, a copy of which is produced to the meeting marked **“B”** and signed by the Chairman of this meeting for the purpose of identification), the New Scheme be and is hereby approved and adopted by the Company and the board of directors of the Company be and are hereby authorized to administer the New Scheme, to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Scheme;
- (b) the aggregate nominal amount of share capital to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes as may from time to time be adopted by the Company, shall not exceed 10 per cent of the Shares in issue as at the date of the passing of this resolution.”

6. **“THAT:**

- (a) subject to paragraph (c) below, pursuant and subject to The Rules Governing the Listing of Securities on the Stock Exchange, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue, grant, distribute and deal with new Shares and to make, issue or grant offers, agreements, options (including bonds, warrants and debentures convertible into Shares) and rights of exchange or conversion, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make, issue or grant offers, agreements, options (including bonds, warrants and debentures convertible into Shares) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to options, conversion or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the New Scheme or similar arrangement of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) (provided that resolution no. 8 is passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

**“Rights Issue”** means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

7. **“THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase the Shares at a price determined by the Directors;
  - (c) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (d) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
8. **“THAT** subject to the resolutions nos. 6 and 7 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue, grant, distribute and deal with new Shares pursuant to resolution no. 6 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 7, provided that such amount shall not exceed 10%. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 7”.

By order of the Board  
**Royale Furniture Holdings Limited**  
**Tse Kam Pang**  
*Chairman*

Hong Kong, 20 April 2012

*Registered office:*  
Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
Grand Cayman  
Cayman Islands  
British West Indies

*Head office and principal place of  
business in Hong Kong:*  
Room 204, 2/F.  
Wing On Plaza  
62 Mody Road  
Tsimshatsui East  
Kowloon  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The register of members of the Company will be closed from Thursday, 17 May 2012 to Friday, 18 May 2012 (both days inclusive), during which period no transfer of shares in the Company was effected. In order to be eligible to attend and vote at the annual general meeting, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 16 May 2012. Shareholders whose names appear on the register of members of the Company on 28 May 2012 (Monday) will be entitled to the Final Dividend and Bonus Issue of Shares.
4. In relation to proposed resolution no. 3 above, Mr. Lam Toi and Mr. Zeng Le Jin will retire from their offices of Directors at the above meeting pursuant to article 87 of the articles of association of the Company, and Mr. Lau Chi Kit and Mr. Yue Man Yiu Matthew will hold their office as Director until the above meeting and be eligible for re-election at the meeting pursuant to article 86(3) of the articles of association of the Company. Mr. Lam Toi and Mr. Zeng Le Jin, being eligible, will offer themselves for re-election.
5. In relation to proposed resolutions nos. 6 and 8 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under The Rules ("Listing Rules") Governing the Listing of Securities on the Stock Exchange. The Directors have no immediate plans to issue any Shares other than the Shares which may fall to be issued under the New Scheme of the Company or any scrip dividend scheme as may be approved by shareholders.
6. In relation to proposed resolution no. 7 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to the circular.
7. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the annual general meeting shall be voted by poll.

*As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Tse Kam Pang, Mr. Ma Gary Ming Fai, Mr. Zeng Lejin and Mr. Lam Toi; four Independent Non-Executive Directors, namely, Dr. Donald H. Straszheim, Mr. Chang Chu Fai J. Francis, Mr. Lau Chi Kit and Mr. Yue Man Yiu Matthew.*