

*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.*

## 皇中國際控股有限公司

### ROYAL CHINA INTERNATIONAL HOLDINGS LIMITED

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

**(Stock Code: 1683)**

### PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Royal China International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on its preliminary assessment of the Group’s unaudited consolidated management accounts for the nine months ended 30 June 2017 (the “**Reporting Period**”), the Group is expected to record a decline of approximately 80% to 90% in its profit attributable to the owners of the Company for the Reporting Period, as compared to the corresponding reporting period in 2016. The decline of the Group’s profits is mainly attributable to (i) the substantial decrease in revenue and gross profit of one-stop integrated interior design solutions arisen from intensive competition in the interior design industry; (ii) the increase professional fees incurred for mandatory unconditional cash offer for the shares of the Company; and (iii) the increase in the operating expenses for preparing new businesses and general administrative purpose. The Group recorded an unaudited profit attributable to the owners of the Company of approximately HK\$23.6 million for the nine months ended 30 June 2016.

The Board would like to emphasize that the Group’s financial positions remain stable and has sufficient cash resources to meet its present and future cash flow requirements. The Board will constantly keep reviewing the Group’s strategies and operations with a view to improve its business performance and Shareholders’ return.

The Company is still in the process of finalizing the Group's second interim results for the Reporting Period. The information contained in this announcement represents only a preliminary assessment by the Board of the unaudited consolidated financial information of the Group currently available for the Reporting Period, which have not been reviewed or audited by the Company's auditors or the audit committee of the Company and may be subject to amendments. Details of the financial information for the Reporting Period will be disclosed in the Group's second interim results announcement which is expected to be published on or about 18 August 2017.

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

By Order of the Board  
**Royal China International Holdings Limited**  
**DENG Kui**  
*Chairman*

Hong Kong, 10 August 2017

*As at the date of this announcement, the Board comprises Mr. DENG Kui, Mr. LIU Yong Sheng, Mr. ZHOU Hucheng, Mr. LEONG Hing Loong Rudoff and Ms. CHEW Christina Mooi Chong as executive Directors; and Mr. LIU Gang, Mr. YU Haizong and Ms. AN Yiqing as independent non-executive Directors.*