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LEE HING DEVELOPMENT LIMITED

利興發展有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 68)

CLARIFICATION ANNOUNCEMENT

References are made to the positive profit alert announcement dated 27 January 2015 (“**Profit Alert Announcement**”) and the consolidated results for the year ended 31 December 2014 (“**Results Announcement**”) dated 10 March 2015 made by Lee Hing Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors of the Company would like to clarify that due to the following reasons, the profit attributable to owners of the Company and the total comprehensive loss attributable to owners of the Company for the year ended 31 December 2014 as disclosed in the Results Announcement are different from those as disclosed in the Profit Alert Announcement:

1. after the publication of the Profit Alert Announcement and during the course of finalising the financial results for the year ended 31 December 2014, the item of net exchange gain in the amount of approximately HK\$1.1 million under the profit and loss was reclassified as an item of translation reserve under the balance sheet based on the view of the Company’s auditors; and
2. on 9 February 2015 (after the publication of the Profit Alert Announcement), the Remuneration Committee considered and approved the distribution of the performance bonus in the total amount of approximately HK\$8.1 million to the employees of the Company, which resulted in the reduction in the profit and the increase in the total comprehensive loss attributable to owners of the Company for the year ended 31 December 2014 as compared to the Company’s expectation as disclosed in the Profit Alert Announcement.

The Board would also like to reiterate that the differences in the profit attributable to owners of the Company and the total comprehensive loss attributable to owners of the Company for the year ended 31 December 2014 between the Results Announcement and the Profit Alert Announcement are immaterial and the information contained in the Profit Alert Announcement was only based on preliminary assessment by the Company of its unaudited consolidated management accounts. The details of the financial information of the Group for the year ended 31 December 2014 as disclosed in the Results Announcement shall prevail over the information contained in the Profit Alert Announcement.

By order of the Board
Lee Hing Development Limited
Tan Boon Seng
Chairman and Managing Director

Hong Kong, 16 March 2015

As at the date of this announcement, the Board comprises two executive Directors, Mr. Tan Boon Seng and Mr. Chan Kai Kwok; and three independent non-executive Directors, Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng.