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LEE HING DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 68)

PROFIT WARNING

The Board wishes to inform shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016, the Group expects to record a significant increase in the loss attributable to owners of the Company and the total comprehensive loss attributable to owners of the Company for the year ended 31 December 2016 as compared to those for the year ended 31 December 2015. The increase was mainly due to the decrease in fair value of the investment in PureCircle Limited.

The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016. Such accounts have not been confirmed by the Company's auditors or the audit committee of the Board.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by Lee Hing Development Limited (the "Company", 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 in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board ("Board") of directors ("Directors") wishes to inform shareholders and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016, the Group expects to record:

- an increase in loss attributable to owners of the Company in the amount of approximately HK\$516 million for the year ended 31 December 2016 as compared to the amount of approximately HK\$5.5 million for the year ended 31 December 2015; and

- a total comprehensive loss attributable to owners of the Company in the amount of approximately HK\$1,015 million for the year ended 31 December 2016 as compared to that for the year ended 31 December 2015 (audited total comprehensive loss attributable to owners of the Company for the year ended 31 December 2015 amounted to approximately HK\$773 million).

The significant increase in loss attributable to owners of the Company and the total comprehensive loss attributable to owners of the Company is mainly due to the decrease in the fair value of the investment in PureCircle Limited, a company listed on The London Stock Exchange. As at 31 December 2016, the Company held 45,430,820 shares in PureCircle Limited, representing approximately 26.16% of the issued share capital of PureCircle Limited. Due to the decrease in the share price of PureCircle Limited, which was closed at GBP 2.5 per share as at 30 December 2016 (as compared to the closing price of GBP 4.0275 per share as at 31 December 2015) and the devaluation of pound sterling during the year of 2016, the Group is expected to record an impairment loss on its investment in PureCircle Limited in the amount of approximately HK\$541 million for the year ended 31 December 2016. The movement in the value of the Company's investment in PureCircle Limited has not resulted in any cash outflow and has no adverse impact on the cash position of the Group. Furthermore, as at 26 January 2017, the trading day before the date of this announcement, the closing price of PureCircle Limited was GBP 2.7625 per share.

The Group is still in the course of finalising its financial results for the year ended 31 December 2016 and related audit work has not yet been completed. The information contained in this announcement is only based on preliminary assessment by the Company of its unaudited consolidated management accounts which have not been confirmed by the Company's auditors or the audit committee of the Board and may be subject to amendments. The audited consolidated financial results of the Group for the year ended 31 December 2016 are expected to be announced on or before 31 March 2017.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 27 January 2017

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.