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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 six months ended 30 June 2018, the Group expects to record a significant increase in the loss attributable to owners of the Company in the amount of approximately HK\$430 million for the six months ended 30 June 2018 as compared to the loss in the amount of approximately HK\$19 million for the six months ended 30 June 2017.

The Company is also expected to record a total comprehensive loss attributable to owners of the Company for the six months ended 30 June 2018 as compared to a total comprehensive profit attributable to owners of the Company for the six months ended 30 June 2017.

The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018.

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 of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, the Group expects to record:

- a significant increase in the loss attributable to owners of the Company in the amount of approximately HK\$430 million for the six months ended 30 June 2018 as compared to the loss in the amount of approximately HK\$19 million for the six months ended 30 June 2017; and
- a total comprehensive loss attributable to owners of the Company in the amount of approximately HK\$430 million for the six months ended 30 June 2018 as compared to a total comprehensive profit attributable to owners of the Company in the amount of approximately HK\$728 million for the six months ended 30 June 2017.

The significant increase in the loss attributable to owners of the Company is attributable to the adoption of Hong Kong Financial Reporting Standard 9 (“HKFRS 9”) for accounting periods beginning on 1 January 2018. The effective date of HKFRS 9 and the key requirements of HKFRS 9 which are relevant to the Group have been set out in the 2017 annual report of the Company. As a result of the coming into effect of HKFRS 9, the fair value gain or loss of listed equity securities held by the Group as at 30 June 2018 and classified as financial assets at fair value through profit or loss is recognised in profit or loss. The loss attributable to owners of the Company for the six months ended 30 June 2018 mainly comprise of the loss resulting from the decrease in the shares price of PureCircle Limited, a company listed on The London Stock Exchange and which the Company held 45,731,681 shares as at 30 June 2018, from GBP4.67 as at 29 December 2017 to GBP 3.895 as at 29 June 2018.

The Group is still in the course of finalising its interim results for the six months ended 30 June 2018. The information contained in this announcement is only based on preliminary assessment by the Company of its unaudited consolidated management accounts. The unaudited consolidated interim results of the Group for the six months ended 30 June 2018 are expected to be announced on or before 31 August 2018.

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 July 2018

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.