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Hyfusin Group Holdings Limited

凱富善集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8512)

POSITIVE PROFIT ALERT

This announcement is made by Hyfusin Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (“**Yr2023**”) and the information currently available to the Board, the Group expected to record a profit attributable to owners of the Company in the range of approximately HK\$100.0 million to HK\$105.0 million for Yr2023 (the “**Positive Profit Alert**”) as compared with that of approximately HK\$73.1 million for the year ended 31 December 2022.

The Board considers that the above expected increase in profit attributable to owners of the Company was primarily due to the increase in revenue resulted from the new orders from customers and the increase in gross profit margin benefiting from the decrease in cost of raw materials and production overhead of the Group.

In December 2023, the Company received a claim of about US\$6.8 million (equivalent to approximately HK\$53.0 million) from a customer of the Group to compensate for its commercial losses and related direct expenses due to the recall of the affected products. Details of which are set out in the announcement of the Company dated 18 December 2023. The full amount of the claim of approximately US\$6.8 million (equivalent to approximately HK\$53.0 million) has been provided for in arriving at the profit attributable to owners of the Company for Yr2023 mentioned above. The Company is in discussions with the customer for possible settlement, and will continue to monitor the situation closely and will issue further announcement(s) when appropriate.

The Group is still in the process of finalising its annual results for Yr2023. The information in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group for Yr2023 and the information currently available to the Board, and hence may or may not be accurate. The unaudited consolidated management accounts of the Group for Yr2023 have not yet been finalised nor reviewed by the audit committee of the Company. The annual results of the Group for Yr2023 may be different to the information referred in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for Yr2023, which is expected to be published on 26 March 2024 in accordance with the GEM Listing Rules.

The Board also refers to (i) the announcement of the Company dated 20 February 2024 (the “**Buy-backs Announcement**”) in relation to, among other things, the proposed off-market share buy-back under the Hong Kong Code on Share Buy-backs and connected transaction (the “**Share Buy-backs**”); and (ii) the announcement of the Company dated 12 March 2024 in relation to extension of the latest time for despatch of the circular (the “**Circular**”) in respect of the Share Buy-backs to the Shareholders to a date falling on or before 5 April 2024.

The Positive Profit Alert included in this announcement constitutes a profit forecast under Rule 10 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and should therefore be reported on by the Company’s financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 17.10(2)(a) of the GEM Listing Rules and pursuant to Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 to the Takeovers Code, as the Positive Profit Alert was published first in an announcement, it must be repeated in full together with the reports from the Company’s financial advisers and auditors or accountants on the Positive Profit Alert in the Circular, being the next document to be sent to the Shareholders by the Company. However, it is expected that the Company’s announcement of annual results for Yr2023, which falls within the ambit of Rule 10.9 of the Takeovers Code, will be published prior to the despatch of the Circular, and the relevant results together with the notes to the financial statements will be included in the Circular. If this is the case, the requirement under Rule 10 of the Takeovers Code to report on the Positive Profit Alert will no longer apply.

WARNING: The Positive Profit Alert has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and hence does not meet the standard required by Rule 10 of the Takeovers Code. The Shareholders and potential investors should exercise caution in placing reliance on the Positive Profit Alert in assessing the merits and demerits of the Share Buy-backs. Shareholders and potential investors of the Company should be aware that the completion of the Share Buy-backs is subject to the fulfillment of all of the conditions under the Agreement (as defined in the Buy-backs Announcement). Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Hyfusin Group Holdings Limited
WONG Wai Chit
Chairman

Hong Kong, 20 March 2024

As at the date of this announcement, the Directors are:

EXECUTIVE DIRECTORS

Mr. Wong Wai Chit (*Chairman*)

Mr. Wong Man Chit (*Chief Executive Officer*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Cheong Tat

Mr. Ho Chi Wai

Mr. Chu Kin Wang, Peleus

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting and will also be published on the Company’s website at www.hyfusingroup.com.