HONG KONG RESOURCES HOLDINGS COMPANY LIMITED
香港資源控股有限公司

(Incorporated in Bermuda with limited liability and carrying on business in Hong Kong as HKRH China Limited)

(Stock code: 2882)

IMPROVEMENT IN LOSS POSITION

This announcement is made by Hong Kong Resources Holdings Company 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) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of directors (the "**Directors**") of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and the potential investors that, based on a review of the unaudited consolidated management accounts of the Group for the six months ended 31 December 2017, the Group is expected to record a decrease in consolidated loss attributable to owners of the Company by more than 40% for the six months ended 31 December 2017 as compared to the corresponding period in 2016. Such improvement was mainly due to (i) increase in turnover as a result of increment of 2 shops in Hong Kong and 17 shops and counters in Mainland China and an increase in overall same-store growth in Hong Kong and Macau as well as in Mainland China; (ii) decrease of selling expenses, general and administrative expenses and other expenses; (iii) absence of recognition of impairment loss on investment in a film for the six months ended 31 December 2017.

The Company is still in the process of finalizing the interim results of the Group for the six months ended 31 December 2017. Information contained in this announcement is only based on the Board's preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 31 December 2017. The interim results of the Group for the six months ended 31 December 2017 is scheduled to be announced on 27 February 2018.

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

By order of the Board of
Hong Kong Resources Holdings Company Limited
Mr. Xu Zhigang
Executive Director & Chief Executive Officer

Hong Kong, 26 February 2018

As at the date hereof, the Board comprises Mr. Lam Kwok Hing, Wilfred, J.P., Mr. Wu Xiaolin, Mr. Xu Zhigang (Chief Executive Officer), Mr. Zhao Jianguo and Ms. Dai Wei as executive Directors and Dr. Loke Yu alias Loke Hoi Lam, Mr. Xu Xiaoping and Mr. Fan, Anthony Ren Da as independent non-executive Directors.