HENGDELI HOLDINGS LIMITED
亨得利控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 3389)

PROFIT WARNING

This announcement is made by Hengdeli Holdings Limited (the "**Company**", together with its subsidiaries as 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 and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the "**Board**") of the Company would like to inform shareholders and potential investors of the Company that, based on the preliminary review by the Group's management of the unaudited consolidated management accounts for the financial year ended 31 December 2019 (the "**Reporting Year**") and information currently available, the Company expects to record a loss attributable to its equity shareholders of not less than RMB330 million for the Reporting Year, versus a profit attributable to its equity shareholders of approximately RMB68.7 million for the preceding year ended 31 December 2018. The expected loss was mainly attributable to (i) the decrease in revenue of the watch retailing business in Hong Kong (the "**Hong Kong Retail Business**"); (ii) the impairment on the goodwill of the Hong Kong Retail Business; (iii) the impairment on right-of-use assets and other property, plant and equipment and the provision on inventories related to the Hong Kong Retail Business. The above adverse items were due to the deteriorating performance of the Hong Kong Retail Business which had been negatively affected by the sharp fall in the number of visitor arrivals and worsened consumer sentiment as a result of the social unrest in Hong Kong in the second half of 2019.

The Company is still in the process of finalising the financial results of the Group for the Reporting Year. The information contained in this announcement is only preliminary assessment of the Group's management based on the unaudited consolidated management accounts of the Group and information currently available, which has not been audited or reviewed by the Company's auditors and has not been confirmed by the audit committee of the Board. Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the year ended 31 December 2019 which is expected to be published in March 2020.

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

By order of the Board
Hengdeli Holdings Limited
Zhang Yuping
Chairman

Hong Kong, 14 February 2020

As at the date of this announcement, the executive Directors are Mr. Zhang Yuping (Chairman), Mr. Huang Yonghua and Mr. Lee Shu Chung, Stan; the non-executive Director is Mr. Shi Zhongyang; the independent non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai, William and Mr. Liu Xueling.