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 (the "**Listing Rules**") 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 six months ended 30 June 2020 and information currently available, the Company expects to record a loss attributable to its equity shareholders of not less than RMB70,000,000 for the six months ended 30 June 2020, versus a profit attributable to its equity shareholders of approximately RMB29,925,000 for the corresponding period in 2019. The expected loss was mainly attributable to the decrease in revenue of the watch retailing business in Hong Kong (the "**Hong Kong Retail Business**") and 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 due to the COVID-19 pandemic.

As the Company is still in the process of finalizing the interim results of the Group for the six months ended 30 June 2020, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available to the Board, which have not been reviewed by or discussed with the auditors of the Company and that the actual results of the Group for the six months ended 30 June 2020 may be different from what are disclosed in this announcement. The interim results announcement of the Company for the six months ended 30 June 2020 is expected to be released in August 2020 pursuant to the requirements of the Listing Rules.

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, 31 July 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.