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LEE HING DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 68)

DECISION OF THE STOCK EXCHANGE ON RULE 13.24

This announcement is made by Lee Hing Development Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 5 March 2021, the Company received a letter from the Stock Exchange notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 to warrant the continued listing of its shares and that, subject to the right of review, trading of the Company’s shares be suspended under Rule 6.01(3) (the “**Decision**”).

In arriving at the Decision, the Stock Exchange has considered the following:

1. The Company maintained a very low level of operating activities and revenue in recent years, resulting in net losses and negative operating cashflow. For the three financial years ended 31 December 2019 and the six months ended 30 June 2020, the portfolio of the Company’s share investment and dealing (“**Securities Trading**”) business consisted predominantly of investments in shares of two companies. These investments accounted for over 98% and 82% of the Company’s equity investments and total assets, respectively, as of 30 June 2020. The remaining business of the Company is the leasing of one residential flat with car park spaces, generated minimal revenue. The Stock Exchange considered the Company’s businesses lack substance and do not constitute a sufficient level of operations. The Stock Exchange is of the view that the Company satisfied the previous Rule 13.24 merely by virtue of its reported assets.
2. The Stock Exchange is of the view that the businesses of the Company has failed to satisfy amended Rule 13.24 (which came into effect on 1 October 2019):
 - (a) Under Rule 13.24(2), investment in securities is normally excluded from assessment level of operations and assets under Rule 13.24. Therefore, the Securities Trading business of the Company should be excluded for assessment of level of operations and assets under Rule 13.24(1).

- (b) The scale of the remaining lease business of the Company and the relevant assets is minimal, which only generated revenue of HK\$0.7 million with asset value of HK\$55 million for 2019. The Stock Exchange is of the view that the Company failed to demonstrate that such business is viable and sustainable and/or has substance and is with assets of sufficient value to support its operations to warrant a continued listing.
3. The amended Rule 13.24 became effective on 1 October 2019 and the transitional period of one year was given to the Company. The Stock Exchange is of the view that ample time has been given to the Company and the Company did not provide any action plan, show any material development in the Company's business, or explain how the outbreak of COVID-19 has an impact on the Company.

According to the Decision, before trading in the shares of the Company is allowed to resume, the Company must re-comply with Rule 13.24, fulfil any resumption guidance that may be set by the Stock Exchange and be in full compliance with the Listing Rules to the satisfaction of the Stock Exchange.

Under Rule 6.01A(1), the Stock Exchange may cancel the listing of the Company's shares if trading remains suspended for a continuous period of 18 months.

Pursuant to Rule 2B.06(1), the Company has the right to refer the Decision to the Listing Committee (as defined in the Listing Rules) for review. The Company has decided not to review the Decision. Trading in the shares of the Company will be suspended at 9:00 a.m. on 17 March 2021.

Further announcements will be made by the Company as and when appropriate and in accordance with the requirement of the Listing Rules. **Shareholders are advised to seek professional advice in relation to any queries regarding the Decision.**

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

By order of the Board
Lee Hing Development Limited
Tan Boon Seng
Chairman and Managing Director

Hong Kong, 5 March 2021

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,