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Hing Lee (HK) Holdings Limited **興利（香港）控股有限公司**

(Incorporated in the British Virgin Islands and re-domiciled and continued in Bermuda with limited liability)

(Stock Code: 396)

PROFIT WARNING

This announcement is made by the board of directors (the “**Board**”) of Hing Lee (HK) Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

The Board wishes to inform the shareholders (the “**Shareholders**”) of the Company and the potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board for the year ended 31 December 2021, the Group expects to record a decrease in consolidated revenue of approximately 14.0% for the year ended 31 December 2021 as compared with the corresponding period in 2020 and a consolidated net loss position improved from approximately HKD59.2 million for the year ended 31 December 2020 to approximately HKD6.0 million for the year ended 31 December 2021.

The decrease in consolidated revenue is mainly due to (i) the impact of the outbreak of the novel coronavirus (COVID-19) since the beginning of 2020, which has caused disruption to the businesses operation of the Group, as well as our customers, (ii) the cautious slowdown in customers’ business due to recent downturn of the economy, which has led to a decrease in demand for the Group’s products, (3) shortage in shipping containers further deteriorated for the year ended 31 December 2021, which caused delay in shipping schedule and canceled orders .

The expected decrease in net loss of the Group for the year ended 31 December 2021 was primarily attributed to the low level of marketing activities, the continued decrease in the costs associated with restructuring the Group’s business units, and the continued cost control at all levels.

The Company is still in the process of finalising the financial results of the Group for the year ended 31 December 2021. The information disclosed in this announcement represents a preliminary assessment by the Board based on the information currently available to it, which has yet to be reviewed by the audit committee of the Board or audited by the auditor of the Company. Hence, the annual results of the Group for the year ended 31 December 2021 may be different from the information disclosed herein.

The Board expects that the announcement on the annual results of the Group for the year ended 31 December 2021 will be published before the end of March 2022.

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

By Order of the Board of
Hing Lee (HK) Holdings Limited
Wong Kit Wai
Company Secretary

Hong Kong, 11 March 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Sung Kai Hing and Mr. Cheung Kong Cheung, and three independent non-executive Directors, namely Mr. Sun Jian, Mr. Kong Hing Ki and Mr. Feng Jianzhong.