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## **Deyun Holding Ltd.**

### **德運控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1440)**

## **PROFIT WARNING**

This announcement is made by Deyun Holding Ltd. (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 (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and information currently available to the Company, the Group expects to record a net loss of not more than approximately RMB10.0 million, as opposed to a net profit of approximately RMB21.2 million for the year ended 31 December 2021.

The Board believes that the expected loss for the year ended 31 December 2022 is mainly due to, among other things:

- (i) several waves of COVID-19 occurred in the People’s Republic of China (the “**PRC**”) during the year ended 31 December 2022. In response to the COVID-19 pandemic, the PRC government had to implement lockdown measures, which caused disruptions to the supply chain and business activities of many PRC enterprises including the Group and its business partners;
- (ii) revenue from the Group’s lace manufacturing and dyeing services for the year ended 31 December 2022 is expected to decrease by approximately 40% to 50% as compared with the year ended 31 December 2021 which was mainly due to the disruption to the supply chain and business activities of the Group and the economic slowdown in the PRC, caused by the lockdown measures in response to the outbreak of several waves of COVID-19; and

- (iii) the Group's gross profit margin for the year ended 31 December 2022 is also expected to decrease substantially because of the drop in revenue contributed by the Group's lace manufacturing and dyeing services while cost of sales are mostly fixed and did not decrease in line with revenue.

The information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and is subject to further changes and adjustments. The actual financial results of the Group for the year ended 31 December 2022 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the year ended 31 December 2022, which is expected to be published at the end of March 2023.

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

By order of the Board  
**Deyun Holding Ltd.**  
**Mr. Tsoi Wing Sing**  
*Chairman*

Hong Kong, 23 February 2023

*As of the date of this announcement, the Board comprises of Mr. Tsoi Wing Sing, Mr. Lin Minqiang, Mr. Larry Stuart Torchin, and Ms. Jian Xuegen as executive Directors, and Mr. Chow Kit Ting, Dr. Chiu Kwok Hung, Justin, and Mr. Chan Hoi Shan as independent non-executive Directors.*

\* *For identification purposes only*