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Huasheng International Holding Limited

華盛國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1323)

PROFIT WARNING

This announcement is made by Huasheng International Holding 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 under 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 “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Company and preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2023 (the “**Year**”), the Group is expected to record a net loss attributable to owners of the Company for the Year of not less than HK\$52.0 million, as compared with the net profit attributable to owners of the Company of approximately HK\$31.3 million for the year ended 31 March 2022 (the “**Previous Year**”).

The anticipated turnaround from profit to loss attributable to the owners of the Company during the Year was mainly attributable to (i) the non-cash impairment loss on goodwill in relation to concrete business of approximately HK\$28.7 million as a result of the decrease in sales volume affected due to the operation disruption resulted from the quarantine and lockdown measures implemented by the local authority of Hainan Province during second and third quarters of the Year; (ii) approximately HK\$34.8 million of impairment losses on loan receivables which was recognised for the overdue loans with creditability issue; and (iii) the one-off loss of approximately HK\$13.0 million from the disposal of household consumables business as compared with the Previous Year that an one-off gain of approximately HK\$9.7 million from the disposal of subsidiaries was recognised.

As the Company is still in the process of finalising the financial results of the Group for the Year, the information contained in this announcement is only based on the Company's preliminary assessment of the unaudited consolidated management accounts of the Group for the Year, which have not been reviewed nor audited by the audit committee of the Company and the Company's auditor. Further details of the Group's financial information for the Year will be disclosed in the audited annual results announcement, which are expected to be published by the end of June 2023.

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

By Order of the Board
Huasheng International Holding Limited
Wong Jeffrey
Executive Director

Hong Kong, 13 June 2023

As at the date of this announcement, the executive Directors are Mr. Wong Wai Sing, Mr. Chan Kin Lung and Mr. Wong Jeffrey; and the independent non-executive Directors are Mr. Kwok Kam Tim, Mr. Tso Ping Cheong, Brian and Mr. Li Kwok Tai, James.