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HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

PROFIT ALERT – REDUCTION IN LOSS

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 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 of the Group for the six months ended 30 June 2023 (the “**Reporting Period**”) and information currently available, the Company expects to record a loss attributable to its equity shareholders of not less than RMB1.9 million for the Reporting Period, representing a decrease of 91.7% as compared with a loss attributable to its equity shareholders of approximately RMB22.9 million for the corresponding period in 2022. The decrease in loss for the Reporting Period was mainly attributable to (i) an increase in gross profit and gross profit margin as a result of fluctuations in price of commodity trading; and (ii) the significant drop in inventory provisions and operating costs of the watch business due to the discontinued watch business.

As the Company is still in the process of finalizing the interim results of the Group for the six months ended 30 June 2023, 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 2023 and information currently available to the Board, which has 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 2023 may be different from what are disclosed in this announcement. The results announcement of the Company for the six months ended 30 June 2023 is expected to be released in August 2023 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
Chairman
Zhang Yuping

Hong Kong, 4 August 2023

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; and the independent non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai William, Mr. Liu Xueling and Ms. Qian Weiqing.