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HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED

華聯國際（控股）有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 969)

BUSINESS UPDATE ANNOUNCEMENT

This announcement is made on a voluntary basis by the board of directors (the “**Board**”) of Hua Lien International (Holding) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the following operational update on the Group’s business.

BACKGROUND OF THE GROUP’S SUGAR BUSINESS

Pan-Caribbean Sugar Company Limited (“**PCSC**”) is a 70% indirectly owned subsidiary of the Company which engages in production, distribution and sale of two types of products, namely, sugar and molasses. PCSC’s sugar business accounted for the substantial majority of the Group’s revenue for the year ended 31 December 2025 and the six months ended 30 June 2026.

INCIDENT RELATING TO THE PRODUCTION OF SUGAR

The Sugar Industry Authority of Jamaica issued a letter to PCSC on 18 April 2026 requiring PCSC to suspend sale of PCSC-branded sugar in storage until corrective actions have been implemented and deemed satisfactory following assessment and approval by the relevant authorities. The production, distribution and sale of PCSC’s sugar products was therefore halted (“**Stop Order**”).

The Stop Order was issued following a preliminary laboratory test which identified metal fragments in certain samples of sugar produced by PCSC (“**Incident**”). PCSC has conducted a thorough investigation into the Incident and found that a small quantity of metal rust residue dislodged from the inside of the conveying pipelines used in the sugar production had inadvertently entered certain sugar products. While the occurrence of metal rust residue in conveying pipelines is relatively common within the industry, PCSC has robust rust-removal procedures in place. The Incident arose because such procedures were not implemented with sufficient rigor at the relevant time.

** For identification purpose only*

The Ministry of Health & Wellness of Jamaica issued a public service announcement on 23 April 2026 which advised the public not to consume packaged sugar produced by PCSC and notified the public of the Stop Order. The Consumer Affairs Commission of Jamaica issued a product recall notice on 29 April 2026 advising the consumers who had purchased PCSC-branded sugar products of certain specified batches to return them to PCSC.

MEASURES TAKEN BY PCSC

Following the Incident, PCSC promptly undertook remedial actions and has strengthened and strictly enforced its rust-removal procedures and other food safety measures including those required in the letter from the Sugar Industry Authority of 18 April 2026. PCSC submitted to, and fully cooperated with, the inspection of its food safety measures conducted by the National Compliance and Regulatory Authority of Jamaica.

Subsequently, PCSC submitted sugar product samples to the Sugar Industry Authority for laboratory testing and the Authority reported on 21 May 2026 that the samples did not carry any metal fragments.

The National Compliance and Regulatory Authority took sample of re-worked PCSC-branded sugar and submitted it to the Bureau of Standards of Jamaica for independent testing. The Bureau reported on 3 July 2026 that it found no metal fragments in PCSC's sugar sample.

The National Compliance and Regulatory Authority issued a letter to PCSC on 15 July 2026 confirming that (a) it was pleased with PCSC's progress in bringing its factory and the sugar produced into compliance with the requisite Jamaican standards, (b) its inspectors had conducted numerous inspections at PCSC's factory and observed noticeable improvements, (c) the testing of re-worked sugar sample by the Bureau of Standards yielded a negative result for metal detection and thus the sample met the relevant Jamaican standard, and (d) PCSC's sugar stock (including recalled sugar), after being re-worked, can be placed on the market under the supervision of the National Compliance and Regulatory Authority.

Thus, PCSC has obtained certifications confirming that the samples were free of metal fragments and met the required standards. PCSC is currently seeking approval from all the relevant government authorities to fully resume the production, distribution and sale of sugar. The Board is confident that the approvals can be obtained within the next few months.

Meanwhile, on 24 July 2026, the Sugar Industry Authority issued a letter to PCSC confirming the issue of a permit authorising PCSC to import 2,000 tonnes of brown sugar ("**Import Permit**") to supplement supplies to the domestic market.

THE STOP ORDER AND ITS IMPACT ON PCSC

The Stop Order affects only the production, distribution and sale of sugar, but not the molasses. Accordingly, PCSC's factory was not required to, and did not, cease operation in its entirety.

The production, distribution and sale of molasses have continued in the ordinary course of business.

With respect to sugar, PCSC ceased the production, distribution and sale of sugar immediately following the issuance of the Stop Order. From May 2026 onwards, certain customers returned sugar products to PCSC. The revenue represented by such returns in May and June 2026 was of approximately HK\$6.3 million.

The Jamaica local sugar cane harvesting and crushing season typically runs from December to early May of the following year. This period also represents the peak season for PCSC's distribution and sale of its sugar products. Due to the impact of weather conditions on crop yield during the year, PCSC had, by mid-April and prior to the commencement of the Stop Order, substantially completed its production arrangements. PCSC generally sells from its inventory for the remainder of the year. The commencement of the Stop Order only partially overlapped with this peak operating period. In addition, sugar products manufactured from sugar cane crushed in previous months remain marketable in future following reworking to remove all traces of metal rust residue and upon obtaining the requisite approvals from the relevant governmental authorities and/or the lifting of the Stop Order.

Further, while the Import Permit allows PCSC to maintain continuity of sugar supply to the domestic market of Jamaica, it also help PCSC to generate revenue from the sugar importation and distribution/sale.

As a result, the Incident did not have a significant impact on PCSC. The Company will publish update announcement(s) as and when there are any material developments in relation to the Stop Order.

By order of the Board
Hua Lien International (Holding) Company Limited
Wu Shurong
Chairman

Hong Kong, 27 July 2026

As at the date of this announcement, the Board comprises eight directors, of which five are executive directors, namely Mr. Wu Shurong, Ms. Huang Liping, Mr. Wang Xiang, Mr. Liu Jun, and Mr. Li Baojian, and three are independent non-executive directors, namely Mr. Shi Zhu (duties suspended), Mr. Ma Yiu Tim and Mr. Cheng King Yip.