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## **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 2020, the Group expects to record a decrease in consolidated revenue of approximately 32.2% for the year ended 31 December 2020 as compared with the corresponding period in 2019 and a consolidated net loss position improved from approximately HKD105.5 million for the year ended 31 December 2019 to approximately HKD59.2 million for the year ended 31 December 2020.

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, and (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.

The expected decrease in net loss of the Group for the year ended 31 December 2020 was primarily attributed to the absence of the impairment losses of goodwill of approximately HK\$48.4 million related to its upholstered furniture businesses recorded for the year ended 31 December 2019.

The Company is still in the process of finalising the financial results of the Group for the year ended 31 December 2020. 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 2020 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 2020 will be published before the end of March 2021.

**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, 12 March 2021

*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, Ms. Shao Hanqing and Mr. Kong Hing Ki.*