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**Hing Lee (HK) Holdings Limited**

**興利（香港）控股有限公司**

*(Incorporated in the British Virgin Islands and re-domiciled and continued in Bermuda with limited liability)*

**(Stock Code: 396)**

## **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the annual results of the Group for the year ended 31 December 2019 are expected to record a significant increase in loss, as compared with that of the year ended 31 December 2018.

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

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 information currently available, the results of the Group for the year ended 31 December 2019, the Group is expected to record a significant increase in loss, as compared with that of the year ended 31 December 2018. Such expected increase in loss was primarily attributed to (i) impairment of goodwill attributable to the Group’s upholstered furniture businesses; (ii) provision for bad and doubtful debts in respect of the Trade Receivables mainly attributable to the Group’s upholstered furniture businesses; and (iii) the decrease in gross profit margins of the products of the Group.

The information contained in this announcement is a preliminary assessment made by the Board based on the latest unaudited management accounts of the Group. The Company is still in the process of preparing and completing the financial results of the Group for the year ended 31 December 2019 which have not been finalised as at the date of this announcement. Shareholders and potential investors are advised to refer to the details in the annual results announcement of the Company for the year ended 31 December 2019 which is expected to be released before the end of March 2020.

**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, 13 March 2020

*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.*