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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board of the Company wishes to inform the Shareholders and potential investors that, based on the information currently available to the Board, including the unaudited consolidated management accounts for the year ended 31 December 2019, the Group is expected to record an increase of between approximately 15% to approximately 30% in the loss for the year ended 31 December 2019 as compared to the loss for the year ended 31 December 2018.

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

The announcement is made pursuant to provisions on inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). This announcement is made by Hua Lien International (Holding) Company Limited (the “**Company**”, together with its subsidiaries, 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 (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 “**SFO**”).

The board of directors (the “**Board**”) 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 Board, including the unaudited consolidated management accounts for the year ended 31 December 2019, the Group is expected to record an increase of approximately 15% to approximately 30% in the loss of for the year ended 31 December 2019 as compared to the loss for the year ended 31 December 2018. Such expected increase in loss was mainly attributable to the following factors:

- (a) an impairment loss of right of use assets of approximately HK\$28 million, which is equal to initial recognized amount, needed to be recognised as an expense in profit or loss upon the adoption of new HKFRS 16;
- (b) there will be provision for write-down of inventories in relation to the spare parts for those plant and machinery of the suspended sugar factory of approximately HK\$21 million; and
- (c) the Company is also assessing the recoverability of the account receivables and provision for doubtful debt of approximately HK\$11 million may have to be made for the account receivables.

The Company is still in the process of finalising the results of the Group for the year ended 31 December 2019. This announcement is only based on the preliminary assessment of the Group’s unaudited management accounts for the year ended 31 December 2019 and the information currently available to the Board subject to finalisation and necessary adjustments which has not been confirmed nor audited by the Company’s auditor.

The final results announcement and other financial information of the Company for the year ended 31 December 2019 is expected to be published on 31 March 2020. Shareholders of the Company and potential investors are advised to read the final results announcement of the Company for the year ended 31 December 2019 when it is published.

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

By order of the Board
Hua Lien International (Holding) Company Limited
Liu Yan
Chairman

Hong Kong, 19 March 2020

As at the date of this announcement, the Board comprises eight directors, of which three are executive directors, namely Mr. Liu Xueyi, Mr. Han Hong, and Mr. Wang Zhaohui, two are non-executive directors, namely Ms. Liu Yan and Mr. Zhang Jian, and three are independent non-executive directors, namely Mr. Cheng Tai Kwan Sunny, Mr. Shi Zhu and Dr. Lu Heng Henry.

** For identification purpose only*