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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)

INSIDE INFORMATION ESTIMATED DECREASE IN NET LOSS – INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

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 wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the Group's unaudited management account for the six months ended 30 June 2022 and the information currently available to the Board, the Group is expected to record a net loss in the Reporting Period. However, the net loss for the Reporting Period is expected to be decreased significantly as compared with that for the Preceding Period. This expected decrease in net loss was mainly attributable the decrease in finance costs of unrealised foreign currency translation differences deriving from appreciation of the functional currency of a subsidiary.

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

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 preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2022 and information currently available to the Board, the Group is expected to record a net loss in its interim results for the six months ended 30 June 2022. However, the net loss is expected to show a significantly decrease from approximately HK\$20 million for the six months ended 30 June 2021 (the “**Preceding Period**”) to approximately HK\$1 million for the six months ended 30 June 2022 (the “**Reporting Period**”).

The expected decrease in net loss in the Reporting Period was mainly attributable to the approximately HK\$40 million disparity in unrealised foreign currency translation differences of finance costs over the two reporting periods. The Group recorded unrealised net foreign exchange translation gains of approximately HK\$18 million in the Reporting Period as comparing with unrealised net foreign exchange translation losses of approximately HK\$22 million in the Preceding Period. Such change was driven by a subsidiary operating in Jamaica whose functional currency is Jamaican dollar and it carried a net US dollar liability position which will generate net unrealised foreign exchange translation gains when Jamaican dollar appreciated, and vice versa. The Jamaican dollar appreciated by approximately 2 per cent relative to US dollar between 31 December 2021 and 30 June 2022. On 31 December 2021, one US dollar was worth J\$153.92 according to the average of bid and ask daily rate of Bank of Jamaica's exchange rate database. Since then the Jamaican dollar had appreciated and US dollar had fallen to an exchange rate of one US dollar was worth J\$150.54 on 30 June 2022. It was reported that the appreciation of Jamaican dollar largely derived from Bank of Jamaica Foreign Exchange Intervention & Trading Tool (B-FXITT), through the B-FXITT auction mechanism, the Bank of Jamaica which is the central bank of Jamaica was selling US dollar to ease the Jamaican dollar depreciation in an effort to reduce inflation.

As the Company is still in the process of finalizing its interim results for the six months ended 30 June 2022, the information contained in this announcement is based only on a preliminary assessment of the management accounts of the Company as at 30 June 2022 by, and information currently available to, the Board which have not been audited or reviewed by the Company's auditor or the audit committee of the Company, and may be subject to adjustments. Further details of the Company's interim results for the six months ended 30 June 2022 will be announced on 31 August 2022.

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
Zhang Zhaogang
Chairman

Hong Kong, 23 August 2022

As at the date of this announcement, the Board comprises eight directors, of which three are executive directors, namely Mr. Han Hong, Mr. Wang Zhaohui and Mr. Zhang Qi, two are non-executive directors, namely Mr. Zhang Zhaogang and Ms. Chen Si, 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*