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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 — FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 Current Year, it is expected that the net loss of the Group for the Current Year will decrease by approximately 20% to approximately HK\$45.5 million when compared with that of approximately HK\$57.3 million for the Prior Year.

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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the information currently available and a preliminary assessment of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Current Year**”), it is expected that the net loss of the Group for the Current Year will decrease by approximately 20% to approximately HK\$45.5 million when compared with that of approximately HK\$57.3 million for the year ended 31 December 2021 (the “**Prior Year**”).

The Board considers that the expected decrease in net loss of the Group by approximately HK\$11.8 million in Current Year as compared to that of the Prior Year was attributable to the approximately HK\$66.2 million decrease in finance costs through the decrease in exchange loss from the appreciation of the Jamaican dollar, the functional currency of a subsidiary, but this partially offset by, (i) the increase in fair value loss of biological assets of approximately HK\$12.4 million, (ii) the decrease in other operating income from the decrease in the reversal of impairment loss on trade receivables of approximately HK\$25.3 million, (iii) the increase in other operating expenses of HK\$10.5 million for the increase in write-down on inventory of spare parts for property, plant and equipment and impairment loss on property, plant and equipment, (iv) the decrease in gross profit from the increase in production costs of approximately HK\$1.1 million, (v) the decrease in other net income of approximately HK\$0.4 million by the decrease in surplus electricity sold to public grid and equipment rental income to subcontractors and (iv) the increase in administration expense of approximately HK\$4.7 million for the most part by the increase in packaging cost.

The Company is still in the process of finalizing the annual results of the Group for the Current Year. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the Current Year and the information currently available to the Board as at the date of this announcement, which have not been reviewed by the auditors or the audit committee of the Company and may be subject to adjustments. The actual annual results of the Group for the Current Year may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the annual results of the Group for the Current Year, which will publish on 31 March 2023.

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, 24 March 2023

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*