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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 INCREASE IN NET LOSS – INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 2023 and the information currently available to the Board, it is expected that the Group will record a net loss of approximately HK\$15 million during Reporting Period, as compared to a net loss of approximately HK\$1 million for the Preceding Period.

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 management accounts for the six months ended 30 June 2023 and information currently available to the Board, it is expected that the Group will record a net loss for the six months ended 30 June 2023 (the “**Reporting Period**”) of approximately HK\$15 million, as compared to a net loss of approximately HK\$1 million for the six months ended 30 June 2022 (the “**Preceding Period**”).

The Board considers that the expected increase in net loss of approximately HK\$14 million of the Group during the Reporting Period as compared to the Preceding Period was principally attributable to the following:

- (a) an increase of HK\$31 million in finance cost mainly by virtue of the HK\$29 million increase in unrealised foreign exchange loss arising from the decline in value of functional currencies of subsidiaries relative to the US dollar during the period;
- (b) an increase in gross profit of approximately HK\$16 million owing to the approximately 19% increase in gross margin from the increase in average selling prices of raw sugar and molasses during the period; and
- (c) a decrease in administrative expenses of HK\$1 million as a result of the decrease in the freight cost in associate with the drop in export sales during the period.

As the Company is still in the process of finalizing its interim results for the six months ended 30 June 2023, the information contained in this announcement is based only on a preliminary assessment of the management accounts of the Company as at 30 June 2023 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 2023 will be announced on 31 August 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, 23 August 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*