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LONGHUI INTERNATIONAL HOLDINGS LIMITED

龍輝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2019 ANNUAL REPORT

Reference is made to the annual report of Longhui International Holdings Limited (the “**Company**”) for the year ended 31 December 2019 published on 15 May 2020 (the “**2019 Annual Report**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the 2019 Annual Report.

In addition to the information provided in the 2019 Annual Report, the following is an extract note of loss from operating activities which including the other expenses of the Company for the year ended 31 December 2019 as below (together with comparative figures for 2018).

LOSS FROM OPERATING ACTIVITIES:

	For the year ended	
	31 December	
	2019	2018
	RMB'000	RMB'000
Loss from operating activities has been arrived at after charging/(crediting):		
Directors' emoluments		
— Fees	2,829	1,225
— Retirement benefits scheme contributions	—	8
Auditors' remuneration ²	1,600	1,000
Depreciation of property, plant and equipment	21,066	44,857
Amortisation of intangible asset	209	205
Depreciation of right-of-use assets	82,791	—
Impairment of right-of-use assets	8,009	—
Impairment of property, plant and equipment	14,770	8,955
Short-term lease payment	1,515	—
Low-value asset lease payment	1,525	—
Written off on properties, plant and equipment (Reversal of)/allowance for expected credit loss on trade and other receivables	12,112	—
	(1,531)	57
Forfeiture of deposit upon early termination of tenancy agreement	—	1,431
Loss on disposal of property, plant and equipment ¹	5,587	2,065
Professional service expenses ²	4,949	5,707
Cleaning fee ²	8,038	6,011
Transportation expenses ²	4,905	4,903
Promotion and marketing expenses ²	4,087	3,923
Travelling expenses ²	4,118	3,253
Repair and maintenance fee ²	4,228	3,245
Professional service fee in regard to the reverse takeover transaction ²	—	14,713
Foreign exchange loss/(gain)	54	(534)

¹ These items were grouped under other gains, net.

² These items were grouped under other expenses.

The additional information set out above does not affect other information contained in the 2019 Annual Report.

By order of the Board
Longhui International Holdings Limited
Hung Shui Chak
Chairman and executive Director

Hong Kong, 25 August 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Hung Shui Chak, Mr. So Kam Chuen and Mr. Yuan Mingjie; and three independent non-executive Directors, namely Mr. Ha Kee Choy Eugene, Mr. Tam Bing Chung Benson and Mr. Cheung Ting Pong.