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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)**

### **PROFIT WARNING**

This announcement is made by Longhui International Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The shares of the Company had been suspended from trading on the Stock Exchange from 22 March 2012 and resumption in the trading of the shares of the Company on the Stock Exchange took place on 6 July 2018 after the Company acquired the hotpot business (the “**Hotpot Business**”) as part of the resumption. Prior to the acquisition of the Hotpot Business, the Company and its subsidiaries (together the “**Group**”) recorded zero revenue for the year ended 31 December 2017. Upon resumption, the Hotpot Business has become the core operating business of the Group and based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the “**Relevant Year**”), the Group is expected to record a substantial turnover contributed entirely by the Hotpot Business for the Relevant Year.

The board (the “**Board**”) of directors (the “**Directors**”) 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, the Group is expected to record an increase in net loss for the Relevant Year as compared to the year ended 31 December 2017. The net loss was mainly attributable to: (i) the listing expenses incurred for the resumption of the trading of the shares of the Company on the Stock Exchange during the Relevant Year; (ii) a decrease in the revenue of the Hotpot Business of its existing restaurants due to decrease of customer flow impacted by the economic recession in mainland and competition in other restaurants which lead to lesser attraction from customers as compared to the year ended 31 December 2017; (iii) the existing thin profit margin and further decrease in the gross profit margin of the Hotpot Business for the Relevant Year as compared to the year ended 31 December 2017 as a result of increase in

direct costs of raw materials and operation; (iv) delay in opening of new restaurants according to original plan due to adverse market condition; and (v) provision for impairment on property, plant and equipment.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts of the Group available which have not been reviewed nor approved by the Company's Audit Committee. Details of the Group's financial information for the Relevant Year will be reported in the annual results announcement to be published by the end of March 2019.

**Shareholders and potential investors are advised to exercise caution when dealing the securities of the Company.**

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

Hong Kong, 15 February 2019

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Hung Shui Chak, Mr. So Kam Chuen, Mr. Yuan Mingjie, Mr. Chen Jun and Mr. Su Guicai; and three independent non-executive Directors, namely Mr. Ha Kee Choy Eugene, Mr. Chan Chun Yiu Thomas and Mr. Mai Guangfan.*