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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 REGARDING THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Reference is made to the annual report of Longhui International Holdings Limited (the “**Company**”) for the year ended 31 December 2018 (the “**Annual Report**”) in relation to the placing of an aggregate of 757,875,000 Placing Shares. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as they are used in the Annual Report.

In addition to the information provided in the Annual Report, the Board would like to provide the following information in relation to the use of the net proceeds from the Share Placing:

Due to the current poor sentiment of the food and beverages market in the PRC and the uncertainty over the impact of the Sino-US trade war, it was prudent for the Board to withhold the planned expansion and hence the proceeds from the Share Placing was not utilised as previously disclosed in the circular of the Company dated 9 May 2018.

A decision on the revised expansion timetable has yet to be finalised by the Board and the outlook of the market conditions and outcome on the Sino-US trade war would have significant impact over the Board’s decision.

It was the intention of the Company to comply with the requirement under paragraph 11(8) of Appendix 16 to the Listing Rules and the Company did state in p.20 of the Annual Report that the Group plans to utilise the remaining proceeds from the Share Placing to open more restaurants under Faigo, Xiao Faigo Hotpot and Hong Yuanwai in order to expand and develop the business of the Group in the coming financial years as intended. However, given the uncertainties mentioned above, the Company was unable to set out a detail timeline for the utilisation of the proceeds in the Annual Report.

Further announcement will be made by the Company on the expected timeline for the utilisation of the unused proceeds from the Share Placing after the Board has made a decision on the expansion timetable and the revised expected timeline for the utilisation of the proceeds.

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

Hong Kong, 13 November 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Hung Shui Chak, Mr. So Kam Chuen, Mr. Yuan Mingjie and Mr. Chen Jun; and three independent non-executive Directors, namely Mr. Ha Kee Choy Eugene, Mr. Chan Chun Yiu Thomas and Mr. Tam Bing Chung Benson.