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Hing Lee (HK) Holdings Limited **興利（香港）控股有限公司**

(Incorporated in the British Virgin Islands and re-domiciled and continued in Bermuda with limited liability)
(Stock Code: 396)

PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

Further to the Company's positive profit alert announcement dated 22 July 2013 and the interim results announcement dated 26 August 2013 where it was disclosed that, among other things, the Group recorded a profit for the six months ended 30 June 2013 as compared with a loss for the same period of last year, the Board wishes to inform the shareholders and potential investors of the Company that, based on the information currently available to the Group, the Group is expected to record a loss for the six months ended 31 December 2013. Notwithstanding the expected decline in the Group's results in the second half of 2013, the Group is still expected to record a profit for the year ended 31 December 2013 as compared to a loss recorded for the year ended 31 December 2012.

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, which have not yet been audited or reviewed by the auditor of the Company and may be subject to adjustments.

Shareholders and potential investors of the Company should note that the Statement has not been reported on and this announcement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on this announcement in assessing the merits and demerits of the Share Offer, and are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the board of directors (the “**Board**”) of Hing Lee (HK) Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

Further to the Company's positive profit alert announcement dated 22 July 2013 and the interim results announcement dated on 26 August 2013 where it was disclosed that, among other things, the Group recorded a profit for the six months ended 30 June 2013 as compared with a loss for the same period of last year, the Board wishes to inform the shareholders and potential investors of the Company that, based on the information currently available to the Group, the Group is expected to record a loss for the six months ended 31 December 2013. Notwithstanding the expected decline in the Group's results in the second half of 2013, the Group is still expected to record a profit for the year ended 31 December 2013 as compared to a loss recorded for the year ended 31 December 2012 (the "**Statement**"). The expected profit for the year ended 31 December 2013 was primarily attributed to the improvement in gross profit margins of the products of the Group as compared to last year, despite a decrease in the Group's gross profit margin for the second half of 2013 as compared to that for the first half of 2013.

The Company is still in the process of finalizing its annual results for the year ended 31 December 2013. 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, which have not yet been audited or reviewed by the auditor of the Company and may be subject to adjustments. The annual results announcement of the Company for the year ended 31 December 2013 is expected to be released in March 2014.

With the publication of the announcement jointly made by King Right Holdings Limited (the "**Offeror**") and the Company on 19 December 2013 in relation to, among others, the possible unconditional mandatory cash offer by Shenyin Wanguo Securities (H.K.) Limited for and on behalf of the Offeror to acquire all the issued shares of the Company ("**Shares**") (other than those already owned by the Offeror and parties acting in concert with it) ("**Share Offer**"), the Company is in the offer period since 19 December 2013 and the Statement constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers (the "**Takeovers Code**") and must be reported on by the Company's auditors or consultant accountants and its financial adviser.

In view of the requirements of timely disclosure of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO and the practical difficulties in terms of the additional time required for the preparation of the reports by the Company's auditors or consultant accountants and its financial adviser in respect of the Statement, the relevant reports have not been prepared as required under Rule 10 of the Takeovers Code. The Statement will be reported on in compliance with the requirements of the Takeovers Code as soon as practicable and the relevant reports will be contained in the composite document to be issued by the Offeror and the Company in respect of the Share Offer which is expected to be issued on or before 22 January 2014.

Shareholders and potential investors of the Company should note that the Statement has not been reported on and this announcement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on this announcement in assessing the merits and demerits of the Share Offer, and are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board of
Hing Lee (HK) Holdings Limited
Wong Kit Wai
Company Secretary

Hong Kong, 9 January 2014

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Sung Kai Hing and Mr. Cheung Kong Cheung, one non-executive Director, namely Mr. Fang Yan Zau, Alexander, and three independent non-executive Directors, namely Mr. Sun Jian, Ms. Shao Hanqing and Mr. Kong Hing Ki.

All the Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.