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HUARCHI GLOBAL GROUP HOLDINGS LIMITED

華記環球集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2296

PROFIT WARNING

This announcement is made by Huarchi Global Group 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 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 of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, according to the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, it is anticipated that the Group will record a profit of approximately MOP20 million, representing a decrease of approximately 61.1% as compared to the same period last year. It was primarily attributable to the COVID-19 pandemic which affected the Group’s performance in the following ways:

- (1) delay in the progress of the Group’s on-going fitting-out projects due to delay in construction materials delivery as a result of the suspension of production in Mainland China during the first half of the year;
- (2) the Group bidding for new projects at relatively competitive prices due to the limited number of new projects available for bidding in light of the stagnation of the construction industry in Macau; and

- (3) increased labour cost attributable to the Macau government tightening quotas for hiring foreign labours in light of increasing unemployment and under-employment rates in Macau, leading the Group to hire an unexpected higher number of local labours, whose salaries are normally higher than that of foreign labours.

As the Company is still in the process of completing the audited consolidated results of the Group for the year, information contained in this announcement is only a preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and the information currently available, which has not been audited by the Company's auditors, nor reviewed by the audit committee of the Board. Accordingly, adjustments may be made after further review by the audit committee of the Board, the Board and the Company's auditors. The announcement of the annual results of the Group for the year ended 31 December 2020 is expected to be published in March 2021.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Huarchi Global Group Holdings Limited
Lou Cheok Meng
Chairman and Managing Director

Hong Kong, 17 March 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Lou Cheok Meng (Chairman and Managing Director), Mr. Chang Wa Ieong and Mr. Ao Weng Kong; the independent non-executive Directors of the Company are Dr. Lam Chi Kit BBS MH JP, Dr. Sin Wai Chiu Joseph and Mr. Lo Chun Chiu Adrian.