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PAK FAH YEOW INTERNATIONAL LIMITED

白花油國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 239)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

Based on preliminary assessment of the management accounts of the Group, the Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a consolidated net loss attributable to the owners of the Company for the year ended 31 December 2020 of approximately HK\$38.4 million as compared to the published consolidated net profit attributable to the owners of the Company of HK\$36.0 million for the same corresponding period in 2019.

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

This announcement is made by Pak Fah Yeow International 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 (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

* *for identification purpose only*

Based on preliminary assessment of the management accounts of the Group, the board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a consolidated net loss attributable to the owners of the Company for the year ended 31 December 2020 of approximately HK\$38.4 million as compared to the published consolidated net profit attributable to the owners of the Company of HK\$36.0 million for the same corresponding period in 2019. The Board considers that the expected loss was mainly attributable to (1) significant decrease in the sales revenue of Hoe Hin products for the year ended 31 December 2020 of not less than 25.0% as compared to HK\$136.6 million of the corresponding period in 2019, which was mainly due to adverse economic conditions from the COVID-19 pandemic; and (2) significant unrealised fair value loss on the Group’s investment properties of approximately HK\$64.8 million as compared to the unrealised fair value loss of HK\$1.4 million of the corresponding period in 2019 due to assessment of property valuation.

The unrealised fair value loss is non-cash in nature and will have no effect on the operating cash flow of the Group. Notwithstanding the foregoing the overall financial position of the Group remains healthy.

The information contained in this announcement is only based on preliminary assessment performed by the Board with reference to the Group’s management accounts and information currently available to the Company and has not been reviewed by the Company’s auditor and the audit committee, and may be subject to amendments.

The annual results announcement of the Company for the year ended 31 December 2020 is expected to be published before the end of March 2021.

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

By Order of the Board
Pak Fah Yeow International Limited
GAN Wee Sean
Chairman

Hong Kong, 17 March 2021

As at the date of this announcement, the Board comprises: (i) three executive directors, namely Mr. Gan Wee Sean, Mr. Gan Fock Wai, Stephen and Mr. Gan Cheng Hooi, Gavin; (ii) one non-executive director, namely Ms. Gan Fook Yin, Anita; and (iii) three independent non-executive directors, namely Ms. Wong Ying Kay, Ada, Mr. Ip Tin Chee, Arnold and Mr. Leung Man Chiu, Lawrence.