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High Fashion International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 608)

POSITIVE PROFIT ALERT

This announcement is made by High Fashion 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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Company’s preliminary review of the latest unaudited consolidated management accounts of the Group and the current information available, the Group is expected to record a net profit of approximately HK\$60 million to approximately HK\$80 million for the six months ended 30 June 2021 as compared with a net loss of approximately HK\$12 million for the six months ended 30 June 2020.

The Board considers that the anticipated turnaround from net loss to net profit is primarily attributable to the following:-

- (a) fair value gain on the Group’s investment properties of approximately HK\$57 million after the deferred tax, as at 30 June 2021 compared to approximately HK\$10 million for the corresponding period in 2020. The increase in appraised value of the investment properties of the Group was mainly attributable to more rental income generated from the leasing of properties following of the completion of property revitalization and integration of existing leasing spaces in Hong Kong and China respectively. Also there is good progress of the construction projects in Group’s development properties in China;
- (b) resumption of the operations of the Group’s factories in the mainland China due to effective control of the pandemic situation in China, and increasing global customer consumption desire due to the relaxation of international lockdown and social distancing restrictions, leading to the increase of demand for garment and apparel products; and
- (c) enhancing the strategic marketing focus in the mainland China and capturing domestic market exploration opportunities together with implementation of certain stringent cost control measures and restructuring initiatives have contributed to the profit in the period.

Shareholders and potential investors are advised that the ongoing COVID-19 pandemic in various countries where the Group has production facilities and customer base is still prevalent and may interrupt and negatively impact the Group's operations in the second half of the year.

The Company is still in the process of finalizing the unaudited interim results for the six months ended 30 June 2021. The information contained in this announcement is only based on the preliminary assessment with reference to the information currently available to the management, which has not yet been reviewed by the auditor or the audit committee of the Company and remains to be subject to possible adjustments. The Group's consolidated financial results for the six months ended 30 June 2021 are expected to be announced by the end of August 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
High Fashion International Limited
Lam Gee Yu, Will
Executive Director & Managing Director

Hong Kong, 17 August 2021

As at the date of this announcement, the Board comprises of (1) Executive Directors: Mr. Lam Foo Wah, Mr. Lam Gee Yu, Will, Mr. Lam Din Yu, Well and Ms. So Siu Hang, Patricia; (2) Non-executive Director: Mr. Hung Ka Hai, Clement; and (3) Independent Non-executive Directors: Professor Yeung Kwok Wing, Mr. Leung Hok Lim and Mr. Chung Kwok Pan.