

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**HUIYIN HOUSEHOLD APPLIANCES (HOLDINGS) CO., LTD.**

汇银家电(控股)有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1280)**

**PROFIT WARNING**

The announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the net profit of the Group for the year ended 31 December 2011 is expected to decrease significantly as compared to the net profit for the last year.

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

The announcement is made by Huiyin Household Appliances (Holdings) Co., Ltd. (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**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group, the net profit of the Group for the year ended 31 December 2011 is expected to decrease significantly as compared to the net profit for the last year. The change is mainly attributable to the following reasons:

- i. the gross margin of the Group decreased, mainly due to the impact of macro-economic policies and the increasing cost pressure in the industry;
- ii. the making of certain provision for receivables from suppliers after having considered the increased operating pressure of upstream companies in the industry in the second half of 2011; and

- iii. differences arising from the finalisation of the consideration payable to be made to the joint venture partner for its transfer of inventory, fixed assets and employees to the joint venture, namely Huainan City Four Seas Huiyin Household Appliances Company Limited (淮南市四海匯銀家電有限責任公司). Details in respect of the establishment of the joint venture were set out in the published announcements of the Company dated 20 September 2010, 21 October 2010 and 7 January 2011 respectively.

As the Company is still in the process of preparing its audited consolidated annual results for the year ended 31 December 2011, the information contained in this announcement can only be treated as a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group. The information contained in this announcement is not based on any figures or information that has been audited or reviewed by the auditor of the Company. The annual results announcement of the Company for the year ended 31 December 2011 has not been finalised as at the date of this announcement and is expected to be released by the end of March 2012.

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

By order of the Board  
**Huiyin Household Appliances (Holdings) Co., Ltd.**  
**Cao Kuanping**  
*Chairman*

Hong Kong, 14 February 2012

*As at the date of this announcement, the Board of Directors of the Company comprises five executive Directors, namely Mr. Cao Kuanping, Mr. Mo Chihe, Mr. Mao Shanxin, Mr. Wang Zhijin, and Mr. Lu Chaolin, one non-executive Director, namely Mr. Li Jung-Hsing, and three independent non-executive Directors, namely Mr. Zhou Shuiwen, Mr. Tam Chun Chung and Mr. Tan Bien Kiat.*