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MAINLAND HEADWEAR HOLDINGS LIMITED

飛達帽業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1100)

PROFIT WARNING

This announcement is made by Mainland Headwear Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09(2)(a) 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 board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the Group’s latest unaudited consolidated management accounts and the information currently available to the Board, the Company is expected to record a drop of not less than 50% in the consolidated profit attributable to owners of the Company for the year ended 31 December 2024 as compared with the corresponding period in 2023. The aforesaid decrease in profit is primarily attributable to the following: (1) As reported in the Company’s interim report dated 27 August 2024 for the six months ended 30 June 2024 (“**Interim Period**”), the Group’s profit attributable to the shareholders for the Interim Period contracted by 45.8% as compared with the corresponding period in 2023 which is mainly due to the weak retail consumer confidence in Europe and the US and the continuous reduction of large inventories amassed by the major customers previously. In the second half of 2024, the Group’s trading business has continued to encounter the issue of weak retail consumer market and built-up inventories of major customers. (2) The Group has completed the construction project of a new factory and warehouse in Mexico, for the purpose of diversifying its geographical risk in

manufacturing business and to better serve its customers in the United States. The new factory was operating at a loss for the year ended 31 December 2024 as it was in the process of training adequate new workers to meet company's quality standard and customers' order demand. (3) The operating loss of the newly acquired subsidiary in the Netherlands, Difuzed B.V. since its acquisition on 23 August 2024. (4) The Group recorded a one-off profit (net of tax) of HK\$39.3 million from the disposal of a property in US in the financial year ended 31 December 2023 and there is no such profitable transaction in 2024.

The information contained in this announcement is only a preliminary assessment by the Company's management based on the information currently available. The audited consolidated final results of the Group may be subject to adjustments following further review by the Board, discussions with the auditors of the Group and completion of the required auditing procedures. The information in this announcement has not been reviewed by the auditors of the Company or the audit committee of the Board.

The Board expects that the announcement of the audited consolidated results of the Group for the year ended 31 December 2024 will be published in March 2025.

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

By order of the Board
Mainland Headwear Holdings Limited
Ngan Hei Keung
Chairman

Hong Kong, 28 February 2025

As at the date hereof, the Board of Directors of the Company comprises nine directors, of which six are Executive Directors, namely Mr. Ngan Hei Keung, Madam Ngan Po Ling, Pauline, BBS, JP, Mr. James S. Patterson, Mr. Ngan Siu Hon, Alexander, Mr. Lai Man Sing, Thomas and Mr. Andrew Ngan; and three are Independent Non-executive Directors, namely Mr. Gordon Ng, Mr. Cheung Tei Sing Jamie and Mr. Li Yinquan.

* *For identification purpose only*