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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)

BUSINESS UPDATE AND PROFIT WARNING IN RELATION TO OUTBREAK OF COVID-19

Mainland Headwear Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) makes this announcement pursuant to Rule 13.09 (2) 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 of directors (the “**Board**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Group’s latest business update of the COVID-19 pandemic (the “**Pandemic**”). As disclosed under the heading of “Impact of outbreak of Coronavirus Disease” in the results announcement of the Company dated 30 March 2020, many US and European customers have delayed their shipments and placing orders to the Group owing to the lockdown measures taken by their respective country governments.

On the other hand, Bangladesh government, to stem the spread of Coronavirus in its country, on 9 April 2020, has prolonged its nationwide shutdown order. Because of this, the Group’s Bangladesh factory can only operate in a very limited scale since 28 March 2020. Many management staff and workers have not been able to report duty owing to travel restrictions. To minimize the negative impact on the Group’s operations, our management is working closely with customers for necessary adjustment to the delivery schedule. Nevertheless, it is expected that the shutdown order will be uplifted before middle of May 2020.

While the Group has implemented a series of precautionary and control measures to combat the impact brought by the Pandemic, it is expected that the Group’s business would be inevitably affected.

* *For identification purpose only*

Based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group, and the information currently available to the Board, despite the Group's performance in the first quarter 2020 was comparable to that of last year it is anticipated that its second quarter's results will deteriorate significantly in current environment. As at the date of this announcement, the Group is unable to predict when the business environment will be back to normal and when overseas government lockdown measures will be removed, and therefore cannot quantify the actual impact of the Pandemic on the Group's interim results for the six months ending 30 June 2020 at this stage.

The information contained in this announcement is only based on the preliminary assessment made by the Group and has not been reviewed and audited by the auditors of the Company.

The Board has been closely monitoring the Pandemic and the market situations and the effects they may have on the Group's business and financial position and the Group will take appropriate measures as necessary and make further announcement as and when appropriate.

Shareholders and potential investors of the Company 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, 29 April 2020

As at the date hereof, the Board of Directors of the Company comprises eight directors, of which five are Executive Directors, namely Mr. Ngan Hei Keung, Madam Ngan Po Ling, Pauline, BBS, JP, Mr. James S. Patterson, Mr. Ngan Siu Hon, Alexander and Mr. Lai Man Sing; and three are Independent Non-executive Directors, namely Mr. Leung Shu Yin, William, Mr. Liu Tieh Ching, Brandon, JP and Mr. Gordon Ng.