RUNWAY GLOBAL HOLDINGS COMPANY LIMITED
時尚環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1520)

PROFIT WARNING

This announcement is made by Runway Global Holdings Company Limited (the "**Company**", and 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**").

PROFIT WARNING

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the Group's preliminary unaudited assessment for the year ended 31 December 2016, the Group is expected to record a consolidated net loss attributable to owners of the Company for the year ended 31 December 2016, whereas the Group recorded a consolidated net profit attributable to owners of the Company for the year ended 31 December 2015 of approximately HK$15,732,000.

The Board considers that the expected net loss for the year ended 31 December 2016 is primarily attributable to:

(i) impairment of goodwill arising on the acquisition of Delta Wealth Finance Limited;

(ii) significant increase in the selling and distribution expenses; and

(iii) significant increase in the administrative expenses.

As the annual results have not been finalised, the information contained in this announcement is based on information which is currently available and the preliminary unaudited consolidated management accounts of the Group for the year ended 31 December 2016 which have not yet been reviewed by the Company's audit committee and have not yet been audited by the Company's auditors. Shareholders and potential investors of the Company are advised to refer to the details of the Group's annual results announcement for the year ended 31 December 2016, which is currently expected to be published on or before 20 March 2017.

References are made to:

(i) the announcements of the Company dated 23 December 2016 and 28 December 2016 respectively in relation to a memorandum of understanding entered into by the Company and a potential investor regarding possible investment in shares of the Company (the "**Shares**") by way of subscription; and

(ii) the announcement of the Company dated 15 February 2017 in relation to a conditional subscription agreement entered into between the Company and a subscriber to subscribe for new Shares, the completion of which will trigger an obligation on the part of the subscriber to make an unconditional mandatory general offer for all the Shares (other than those already owned or agreed to be acquired by the subscriber and parties acting in concert with it) under Rule 26.1 of the Takeovers Code.

Pursuant to Rule 10 of The Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"), this profit warning constitutes a profit forecast and is required to be reported on by both the Company's financial advisers and its auditor or consultant accountant in accordance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made pursuant to Rule 13.09(1) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO, which requires the Company to issue the profit warning announcement as soon as practicable and given the time constraints faced by the Company when issuing this announcement, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors that this profit warning does not meet the standard required by Rule 10 of the Takeovers Code. This profit warning is normally required to be separately reported on by the Company's financial advisers and its auditor or consultant accountant and such report shall be contained in the next document to be issued by the Company to the Shareholders in connection with the Offer. The profit warning will be reported on in accordance with Rule 10 of the Takeovers Code unless the annual results announcement for the year ended 31 December 2016 has been published prior to the next document to be issued to the Shareholders in relation to the Offer.

Shareholders and potential investors of the Company should note that this profit warning has not been reported on by both the Company's financial advisers and its accountants or auditors in accordance with the requirements under Rule 10.4 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution in placing reliance on the forecast in assessing the merits and demerits of the Offer. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Runway Global Holdings Company Limited
Yeung Kwok Leung
Executive Director

Hong Kong, 8 March 2017

As at the date of this announcement, the executive Directors are Mr. Hubert Tien, Mr. Chen Gang, Mr. Qu Chengbiao, Mr. Yeung Kwok Leung, Mr. Cheng Tze Kit Larry and Mr. Liu Chun Fai and the independent non-executive Directors are Mr. Tang Shu Pui Simon, Mr. Tse Yuen Ming and Mr. Hon Ming Sang.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.