盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 851)**

# PROFIT WARNING

This announcement is made by Sheng Yuan Holdings Limited (the "**Company**", which together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) 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 under 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 of the Company and potential investors that, based on the information currently available to the Company, the net loss of the Group for the six months ended 30 June 2017 is expected to record an increase of over 100% as compared to the net loss of the Group of approximately HK$52.5 million for the six months ended 30 June 2016. Such significant expected increase in net loss is primarily attributable to the impairment loss on interest in an associate, Xinhua (Daqing) Merchandise Exchange Company Limited ("**XHME**"), due to the continual suspension of a material line of its business during the six months ended 30 June 2017. As disclosed in the annual report of the Company for the year ended 31 December 2016, the directors of XHME had resolved to restructure its business lines for local compliance purpose which involved suspension of a material line of business. During the six months ended 30 June 2017, the suspension continued and there is no further news on the restoration of the operations of the business lines of XHME. Based on the preliminary valuation on fair value and the management accounts of XHME, the management of the Company considered an impairment loss on interest in XHME may be necessary.

As the Company is still in the process of finalising the financial results of the Group for the six months ended 30 June 2017, the information contained in this announcement is based only on the preliminary assessment by the management of the Company according to the information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditor and the audit committee of the Company. The announcement in respect of the financial results of the Group for the six months ended 30 June 2017 is expected to be released in late August 2017.

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

By Order of the Board
**Sheng Yuan Holdings Limited**
**Wu Siu Lam, William**
*Executive Director and Chief Executive Officer*

Hong Kong, 11 August 2017

*As at the date of this announcement, the Board consists of Mr. Wu Siu Lam, William, Ms. Cheng Kit Sum, Clara and Mr. Qiu Bin (all being executive Directors), Dr. Huan Guocang, Mr. Lo Ka Wai and Mr. Wu Fred Fong (all being independent non-executive Directors).*