NANJING SINOLIFE UNITED COMPANY LIMITED*
南京中生聯合股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3332)

PROFIT WARNING

This announcement is made by Nanjing Sinolife United Company Limited* (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**") and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a review of the Group's unaudited consolidated management accounts for the year ended 31 December 2019, the revenue of the Group for the year ended 31 December 2019 is expected to decrease by approximately 30% as compared to that for the year ended 31 December 2018. The Group is expected to record a loss of approximately RMB200 million for the year ended 31 December 2019 as compared with a loss of approximately RMB110 million for the year ended 31 December 2018.

For the year ended 31 December 2019, affected by the industrial regulatory policy and the adjustment to the Company's sales channels, sales revenue from offline stores and call centers declined. Meanwhile, the results performance of Shanghai Hejian Nutritional Food Products Company Limited* (上海禾健營養食品有限公司) ("**Hejian**") for the year ended 31 December 2019 did not meet the Company's expectation. Hence, it is expected that goodwill and long-term asset impairment will be recorded for Hejian for the year ended 31 December 2019. Based on the Company's prudent assessment with reference to macroeconomic factors and market competition, it is expected that the Group would have to make inventory provision for the year ended 31 December 2019. In addition, the Company made reduction in deferred income tax assets which were recognised in previous period. Such expected goodwill and long-term asset impairment, inventory provision and reduction in deferred income tax assets are non-cash items and will not have any impact to the Group's daily operation and cash flow.

The information contained in this announcement is only based on a preliminary assessment by the Board on the Group's draft unaudited consolidated management accounts for the year ended 31 December 2019, which are subject to adjustments and finalisation and have not been reviewed or audited by the Company's auditors.

* *For identification purpose only*

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2019. The Shareholders and potential investors should refer to the annual results announcement of the Company for the year ended 31 December 2019, which is expected to be published in March 2020, for details of the performance of the Group.

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

By Order of the Board
NANJING SINOLIFE UNITED COMPANY LIMITED*
Gui Pinghu
Chairman

Nanjing, the People's Republic of China, 26 February 2020

As at the date of this announcement, the executive Directors are Mr. Gui Pinghu, Ms. Zhang Yuan and Ms. Zhu Feifei; and the independent non-executive Directors are Mr. Zhang Jitong, Ms. Cai Tianchen and Mr. Wang Wei.

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