信基沙溪集团股份有限公司
XINJI SHAXI GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3603)

PROFIT WARNING

This announcement is made by Xinji Shaxi Group Co., Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

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 a preliminary review of the Group's unaudited consolidated management accounts for the year ended 31 December 2019 ("**Year 2019**"), it is expected that the net profit attributable to the Shareholders for Year 2019 is likely to decrease by not more than 50% as compared to that of the corresponding period in 2018.

The Board considers that such expected decrease is principally due to (i) the absence of significant increase in fair value gains on the investment properties of the Group for Year 2019; and (ii) the absence of one-off compensation from the government of Guangzhou Panyu District in the PRC in July 2018 for the removal of part of the investment properties of the Group in order to develop the Guangzhou Shaxi metro station for Year 2019.

The Company is still in the process of finalising the results of the Group for Year 2019. The information contained in this announcement is only a preliminary assessment by management of the Company based on information currently available to the Board, including the Group's unaudited consolidated management accounts for Year 2019, and is not based on any figures or information which have been audited or reviewed by the Company's auditor. The annual results of the Group for Year 2019 is expected to be published before the end of March 2020.

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

By order of the Board
Xinji Shaxi Group Co., Ltd
Cheung Hon Chuen
Chairman

Guangzhou, the PRC, 6 March 2020

As at the date of this announcement, the Board comprises Mr. Cheung Hon Chuen as chairman and executive Director; Mr. Mei Zuoting, Mr. Zhang Weixin and Ms. Jin Chunyan as executive Directors; Mr. Yu Xuecong, Mr. Lin Lie and Mr. Wu Jianxun as non-executive Directors; and Dr. Liu Eping, Mr. Chen Tusheng, Mr. Tan Michael Zhen Shan and Mr. Zheng Decheng as independent non-executive Directors.