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China Jicheng Holdings Limited
中國集成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1027)

PROFIT WARNING

This announcement is made by China Jicheng Holdings Limited (the “**Company**”, together with its subsidiaries as 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Based on the information currently available to the Group, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group expects to record a net loss of approximately RMB16.2 for the year ended 31 December 2019 when compared with a net profit of approximately RMB18.7 million for the year ended 31 December 2018. The material decline in the financial performance of the Group were mainly due to (i) the decrease in gross profit due to the threat of a trade war between the PRC and the United States; (ii) the increase in selling and distribution expenses including marketing and promotion expenses to support the Group’s business expansion and to gain market share; (iii) the loss arising on change in fair value of contingent consideration receivables of approximately RMB7.5 million in relation to the acquisition of a subsidiary during the year ended 31 December 2019 and (iv) the one-off and non-cash share option expenses of approximately RMB6.7 million in relation to the share options granted during the year ended 31 December 2019.

The information contained in this announcement is only based on the Board’s preliminary assessment of the information currently available and the latest unaudited consolidated management accounts of the Group, which has not been reviewed by the Company’s audit committee and auditors. The Company is in the process of finalising the results announcement for the year ended 31 December 2019 which is expected to be released before the end of March 2020 in accordance with the Listing Rules.

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

By Order of the Board
China Jicheng Holdings Limited
Huang Wenji
Chairman

Fujian Province, the PRC, 18 March 2020

As at the date of this announcement, the executive Directors are Huang Wenji, Yang Guang, Lin Zhenshuang and Chung Kin Hung, Kenneth; and the independent non-executive Directors are Tso Sze Wai, Yang Xuetai and Lee Kit Ying, Winnie.