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**新絲路文旅有限公司**
**NEW SILKROAD CULTURALTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 472)**

# PROFIT WARNING

This announcement is made by New Silkroad Culturaltainment Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, 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 the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the "**Period**"), the Group is expected to record a net loss from the continuing operations of more than HK$47 million as compared to a net loss of approximately HK$23 million for the corresponding period in 2019.

Based on the preliminary review of the information currently available, the increase in net loss was mainly attributable to:

(i) the significant drop in revenue from the Group's entertainment business in Jeju, Korea for the Period brought by the outbreak of the novel coronavirus pandemic since January this year and the imposition of local travel and entry restrictions by the Korea government, thereby resulting in a sharp reduction of tourists to Jeju, Korea; and

(ii) the decrease in gross profit margin on the Group's winery business due to slack market momentum.

In response to the adverse business environment as a result of the outbreak of the novel coronavirus pandemic, the Group has implemented cost reduction measures to counteract the current situation and will closely monitor the market development for prompt response.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts of the Group available which have not been reviewed nor approved by the Company's Audit Committee. Details of the Group's financial information for the Period will be reported in the interim results announcement to be published by the end of August.

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

By order of the Board
**New Silkroad Culturaltainment Limited**
**Ma Chenshan**
*Chairman and Executive Director*

Hong Kong, 16 July 2020

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Ma Chenshan, Mr. Zhang Jian, Mr. Hang Guanyu and Mr. Liu Huaming, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Mr. Tse Kwong Hon and Mr. Cao Kuangyu.*