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中国忠旺控股有限公司*

China Zhongwang Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01333)

INSIDE INFORMATION

PROFIT WARNING

This announcement is made by China Zhongwang Holdings 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 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**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the latest preliminary assessment of the Group’s currently available unaudited management accounts, the Group is expected to record a profit for the period of approximately RMB500 million to RMB550 million for the six months ended 30 June 2020, representing a decrease of approximately 66% to 62% as compared to the corresponding period in 2019 (approximately RMB1,465 million).

Such decrease in the Group’s profit for the period for the six months ended 30 June 2020 was mainly due the Group recorded a net loss in the first quarter of 2020 as a result of the impact to the ordinary procurement, production and sales processes of the Group since the outbreak of the COVID-19 epidemic in the first quarter of 2020 and its impact to the production and operation of the Group’s suppliers and customers.

The Group gradually resumed its production activities in February 2020, and fully resumed production activities in April 2020. With the full resumption of production of the Group and the effective control of the epidemic in Mainland China, the Group’s sales volume and sales value increased significantly in the second quarter of 2020 compared with those in the first quarter of 2020.

The Company is still in the process of preparing its interim results for the six months ended 30 June 2020. The information contained in this announcement is solely based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and is not based on any financial information or information audited or reviewed by the Company’s auditors.

* *For identification purpose only*

The details of the Group's financial results are expected to be disclosed in the announcement of the interim results for the six months ended 30 June 2020, which is expected to be announced in due course in accordance with the requirements of the Listing Rules. Shareholders and potential investors shall read the announcement carefully when it is announced.

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

By order of the Board
China Zhongwang Holdings Limited
Lu Changqing
Chairman

Hong Kong, 21 August 2020

As at the date of this announcement, the Board consists of:

Executive Directors

Mr. Lu Changqing and Ms. Ma Qingmei

Non-executive Directors

Mr. Chen Yan, Mr. Lin Jun and Mr. Wei Qiang

Independent Non-executive Directors

Mr. Wong Chun Wa, Mr. Wen Xianjun, Mr. Shi Ketong and Mr. Lo Wa Kei, Roy