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品牌中国
BRANDING CHINA

BRANDING CHINA GROUP LIMITED

品牌中國集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0863)

PROFIT WARNING

This announcement is made by Branding China Group 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) under 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 potential investors and shareholders of the Company (the “Shareholders”) that, based on a preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group is expected to record a net loss of not less than RMB140,000,000 for the year ended 31 December 2018 compared to a net loss of RMB58,337,931 for the year ended 31 December 2017.

The Board considers that the increase in net loss is primarily attributable to (i) the expenditures relating to implementation of operational infrastructure, including IT, legal, and set up of its Hong Kong office facilities; (ii) the expenditures relating to the expansion of business initiatives, including business development and marketing programs and (iii) the increase in staff cost resulting from the number of employees increased from 73 as at 31 December 2017 to 260 as at 31 December 2018. As disclosed in the interim report, the Group is strategically expanding its business activities relating to blockchain and financial technology which can enhance shareholder value as well as complement and leverage existing business lines.

The Company is still in the process of finalizing the unaudited consolidated results of the Group for the Period. The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited draft consolidated management accounts of the Group for the Period and the information available for the time being, which have been neither audited by the auditors of the Company nor reviewed by the audit committee of the Company. The above information may be subject to possible

adjustments upon further review. Shareholders and potential investors are advised to read carefully the Annual results announcement of the Group for the Year which is expected to be published by the end of March 2019 in accordance with the Listing Rules.

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

By order of the Board
Branding China Group Limited
Lo Ken Bon
Executive Director

Hong Kong, 15 February 2019

As at the date of this announcement, the executive Directors are Mr. Lo Ken Bon, Mr. Ko Chun Shun, Johnson, Mr. Fang Bin, Mr. Madden Hugh Douglas and Mr. Chapman David James, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Chia Kee Loong, Lawrence and Mr. Tai Benedict.