

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Zhixin Group Holding Limited

智欣集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2187)

PROFIT WARNING

This announcement is made by Zhixin Group Holding Limited (the “**Company**”, 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 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 of the Company (the “**Directors**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of unaudited consolidated management accounts of the Group, and the information currently available to the Group for six months ended 30 June 2022 (the “**Relevant Period**”), it is expected that the Group will record a reduction in the Group’s net profit for the Relevant Period to a profit or loss close to breakeven as compared with the net profit of approximately RMB10.2 million for the six months ended 30 June 2021. Such reduction is mainly attributable to: (i) the slight decrease in revenue as a result of temporarily suspension and delays in certain construction projects impacted by the increase in days with adverse weather conditions during the Relevant Period; (ii) the increase in cost of sales as a result of the increase in raw material costs and transportation costs; (iii) one-off compensation expense for the early termination of the lease of precast concrete components production plant located in Jimei District of Xiamen and the disposal loss of the production facilities on this leased property subsequent to the successful acquisition of the land use rights of a parcel of land for construction of new production plant; and (iv) the decrease in non-recurring government grants and awards during the Relevant Period.

As the Group's interim results for the Relevant Period are subject to further review and have not been finalised, the information contained in this announcement is solely based on the information currently available and the preliminary assessment by the Board of the unaudited sales and other financial information of the Group for the Relevant Period, which have not been audited or reviewed by the Company's auditors or audit committee. Therefore, the actual consolidated results of the Group for the Relevant Period, which are expected to be released and set out in the interim results announcement of the Company by the end of August 2022, may differ from the information contained in this announcement. Shareholders and potential investors of the Company are therefore advised to peruse the results with care when the interim results announcement is released.

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

By order of the Board
Zhixin Group Holding Limited
Ye Zhijie
Chairman and Executive Director

Hong Kong, 29 July 2022

As at the date of this announcement, the Board comprises Mr. Ye Zhijie, Mr. Huang Wengui, Mr. Qiu Limiao, Mr. Ye Dan and Mr. Huang Kaining as executive Directors; and Ms. Wong Tuen Sau, Mr. Cai Huinong and Mr. Jiang Qinjian as independent non-executive Directors.