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VESTATE GROUP HOLDINGS LIMITED
國投集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1386)

PROFIT WARNING

This announcement is made by Vestate Group Holdings Limited (the “**Company**” and, 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**Inside Information Provisions**”).

The board of directors of the Company (the “**Board**”) 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 September 2017, the Group is expected to record an increase in loss for the six months ended 30 September 2017 as compared to the loss recorded for the corresponding period last year (the “**Profit Warning**”). The Board believes that such increase in loss is mainly attributable to overall decline in sales in Hong Kong and the People’s Republic of China resulting from the restructuring in store network and reduction in the number of stores.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 September 2017. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the management accounts and raw financial information of the Group, which have not been reviewed by the Company’s auditors. Details of the Group’s performance for the six months ended 30 September 2017 will be finalised and disclosed in its interim results announcement to be published by the end of November 2017.

Reference is made to the announcement of the Company dated 30 October 2017 in relation to, among other things, the MOU entered into between the potential seller and an independent third party regarding the Possible Sale (as defined therein), which may lead to a change in control of the Company and a mandatory general offer (the “**Offer**”) in accordance with the Code on Takeovers and Mergers (the “**Takeovers Code**”). The offer period has commenced on 30 October 2017.

Pursuant to Rule 10 and Practice Note 2 of the Takeovers Code, the Profit Warning constitutes a profit forecast and is required to be reported on by both the Company's financial advisers and auditors or accountants, and included in the next document to be sent to the Shareholders in accordance with Rule 10.4 of the Takeovers Code.

Given the time constraints in issuing this announcement in compliance with the Listing Rules and the Inside Information Provisions, the Company would like to draw the attention of the Shareholders and potential investors of the Company that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits in dealing with the shares of the Company.

The Profit Warning will be reported on in accordance with Rule 10 of the Takeovers Code and such reports will be included in the next document to be sent to the Shareholders unless the interim results announcement of the Company for the six months ended 30 September 2017 has been published prior to the despatch of the next document to be sent to the Shareholders.

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

By order of the Board
Vestate Group Holdings Limited
ZHU Xiaojun
Chairman

Hong Kong, 10 November 2017

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

Executive directors:

Mr. ZHU Xiaojun
Mr. KANG Jianming
Ms. CAI Jiaying
Mr. YIN Wansun

Independent non-executive directors:

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.