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FRESH EXPRESS DELIVERY HOLDINGS GROUP CO., LTD

鮮馳達控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1175)

PROFIT WARNING

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the Group's unaudited consolidated management accounts for the year ended 31 March 2018, the Group's consolidated net profit attributable to the owners of the Company for the year ended 31 March 2018 is expected to decrease significantly as compared to that for the corresponding period in 2017.

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

This announcement is made by Fresh Express Delivery Holdings Group Co., Ltd (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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“**SFO**”).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the Group's unaudited consolidated management accounts for the year ended 31 March 2018 and the information currently available to the Board, the Group's consolidated net profit attributable to the owners of the Company for the year ended 31 March 2018 is expected to decrease significantly as compared to that for the corresponding period in 2017.

Based on the information currently made available, the expected decrease in net profit is principally attributable to the following factors:

- 1) Due to the strategic adjustment of the Group in focusing on the development of small and medium-sized clients, and gradually reducing our reliance on the sales to a few major customers, the Group's total sales revenue decreased over the current year, but the customer structure has been greatly improved; and
- 2) Due to the Group's major property, plant and equipment were purchased during the corresponding period in 2017, the depreciation expense was provided from the purchase date to the year ended 31 March 2017 (approximately 9 months). The depreciation expense increased by providing full depreciation expense (12 months) for the current year.

As at the date of this announcement, the Company is in the process of finalising the consolidated annual results of the Group for the year ended 31 March 2018. The information contained in this announcement is only the preliminary assessment by the management of the Company based on the information currently made available (including the Group's unaudited consolidated management accounts, which are neither reviewed nor audited by the Company's auditor). The actual results of the Group for the year ended 31 March 2018 may be different from what is disclosed herein. Further details of the Group's financial performance shall be disclosed in the Company's annual results announcement for the year ended 31 March 2018.

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

For and on behalf of the Board
Fresh Express Delivery Holdings Group Co., Ltd
Wan Oi Ming Kevin
Company Secretary

Hong Kong, 22 June 2018

As at the date of this announcement, the Board comprises Mr Pan Junfeng and Mr Tang Dacong as executive Directors, Mr Wen Cyrus Jun-ming as non-executive Director and Dr Leung Hoi Ming, Mr Mak Ka Wing, Patrick and Mr Sung Wing Sum as independent non-executive Directors.