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RUIXIN INTERNATIONAL HOLDINGS LIMITED

瑞鑫國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

PROFIT WARNING

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

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to make an increased loss for the Reporting Period, subject to adjustments for the financial impact from the modification of terms of convertible notes and the potential provision on expected credit loss from trade receivables.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares or other securities of the Company.

This announcement is made by Ruixin International 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 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 “**SFO**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to report an estimated loss of around HK\$85.0 million for the year ended 31 December 2018 (the “**Reporting Period**”), as compared with the loss of approximately HK\$42.7 million for the year ended 31 December 2017 (the “**Corresponding Period**”). The estimated loss for the Reporting Period has yet to include the financial impact from the modification of terms of convertible notes (the “**Financial Impact**”) and the potential provision on expected credit loss from trade receivables (the “**Potential Provision**”). The Financial Impact is pending the finalisation of accounting treatment for the modification of terms of convertible notes and the Potential Provision will depend on the impairment assessment of trade receivables based on the ECL (expected credit loss) model valuation.

Subject to adjustments for the Financial Impact and the Potential Provision, the increase in loss for the Reporting Period was mainly due to, among others, (i) the increase in operating loss in the Reporting Period; (ii) the exchange loss in the Reporting Period but the exchange gain in the Corresponding Period; and (iii) the increase in imputed interest expenses on convertible notes in the Reporting Period. The increase in operating loss in the Reporting Period was mainly due to the expansion of loss from the electronic products business as a result of, among others, the drop in revenue amid the uncertainty and outbreak of the trade war, and the increase in material cost including the impairment loss on inventories.

As the Company is still in the process of finalising the annual results of the Group for the Reporting Period, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the management accounts of the Group and on the information available for the time being, but not on any data or information audited or reviewed by the auditor of the Company. Financial information and other details of the Group will be disclosed in the annual results announcement of the Group for the Reporting Period.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares or other securities of the Company.

By order of the Board
Ruixin International Holdings Limited
Huang Hanshui
Executive Director

Hong Kong, 31 January 2019

As at the date of this announcement, the Board comprises Mr. Wang Zhaofeng (Chairman), Mr. Lam Yat Keung and Mr. Huang Hanshui as executive Directors; and Mr. Ho Chi Fai, Ms. Liu Yanfang and Mr. Zhang Jue as independent non-executive Directors.