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China Child Care Corporation Limited

中國兒童護理有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1259)

PROFIT WARNING

This announcement is made by China Child Care Corporation 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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 the Laws of Hong Kong).

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 unaudited management accounts, the management of the Company estimated that the Company experienced operational loss for the year ended 31 December 2018. The Company estimated that net loss after tax of the Group for the year ended 31 December 2018 was approximately RMB400 million to RMB440 million, as compared to a net loss after tax of the Group of approximately RMB163 million recorded by the Group for the year ended 31 December 2017.

The additional loss was primarily due to (i) the respective one-off gain on disposal of a subsidiary, 福建和潤供應鏈管理有限公司 (“**Fujian Herun**”) recorded by the Group in 2017; (ii) the impairment loss on property, plant and equipment, investment properties and the properties for development; (iii) the impairment loss on goodwill; (iv) continue sale and production difficulties of personal care products; and (v) the additional recalling fees caused by labelling issue of personal care products.

In additional, the financial assets at fair value through other comprehensive income recorded a realised loss and unrealised loss of approximately RMB3.5 million and RMB74.9 million respectively.

The Group is still in the progress of finalising its consolidated full year results for the year ended 31 December 2018. The information contained in this announcement is only a preliminary assessment by the Board based on the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2018, which have not been audited or reviewed by the auditor of the Company or audit committee of the Company and may be subject to adjustments. Shareholders and potential investors are advised to read carefully the Company's full year results announcement for the year ended 31 December 2018, which is expected to be published by the end of March 2019.

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

By order of the Board
China Child Care Corporation Limited
TSAI Wallen
Chairman and Executive Director

Hong Kong, 7 March 2019

As at the date of this announcement, the Board comprises (i) two executive directors, namely Mr. Tsai Wallen and Mr. Chau Ling; (ii) one non-executive director, namely Mr. Li Zhouxin; and (iii) three independent non-executive directors, namely Ms. Chan Sze Man, Mr. Ma Kwun Yung Stephen and Ms. Bu Yanan.