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YING HAI GROUP HOLDINGS COMPANY LIMITED
瀛海集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8668)

PROFIT WARNING

This announcement is made by Ying Hai Group Holdings Company Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") and the Inside information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019, the Group is expected to record a loss attributable to the owners of the Company for the year ended 31 December 2019 ("**FY2019**") within a range of approximately HK$1.0 million to approximately HK$2.0 million, as compared to a profit attributable to the owners of the Company of HK$16.28 million for the year ended 31 December 2018 ("**FY 2018**"). If the listing expenses were excluded, the Group would record an unaudited net profit attributable to the owners of the Company within a range of approximately HK$14.87 million to approximately HK$15.87 million in FY2019, as compared to a profit attributable to the owners of the Company of approximately HK$22.11 million in FY2018.

Based on the information currently available, the Board considers that such expected loss of the Group for FY2019 as compared to FY2018 is mainly attributable to (i) the listing expenses of approximately HK$16.87 million recorded in FY2019, comparing to the listing expenses of approximately HK$5.83 million recorded in FY2018; and (ii) the increase in administrative expenses, which is mainly due to the increase in employee benefits expenses, depreciation, professional fees and advertising and promotion expenses.

The information in this announcement is only based on the information currently available and preliminary review of the unaudited consolidated management accounts of the Group for FY2019 by the management of the Company. The unaudited consolidated management accounts of the Group for FY2019 have not yet been finalised nor reviewed by the audit committee of the Company or audited by the auditor of the Company. The actual annual results of the Group for FY2019 may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the Company's annual results announcement for the year ended 31 December 2019, which is expected to be published on or around 16 March 2020.

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

By order of the Board
Ying Hai Group Holdings Company Limited
Choi Wai Chan
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 2 March 2020

As at the date of this announcement, the executive Directors are Mr. Choi Wai Chan and Mr. Leong Tat Meng; and the independent non-executive Directors are Mr. Sou Sio Kei, Mr. Rodrigues Cesar Ernesto and Mr. Hu Chung Ming