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

(incorporated in 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 nine months ended 30 September 2020 ("**2020Q3**") and the information currently available, the Group is expected to record a loss attributable to the owners of the Company for 2020Q3 within a range of approximately HK$16.5 million to approximately HK$18.5 million, as compared to a loss attributable to the owners of the Company of approximately HK$0.7 million for the nine months ended 30 September 2019.

Based on the information currently available, the Board considers that such expected loss of the Group for 2020Q3 as compared to corresponding period last year was mainly attributable to (i) the substantial decrease in revenue generated from the sales and distribution of hotel rooms and the provision of car rental services, which was mainly due to the outbreak of the COVID-19 pandemic and the travel restrictions on tourists imposed by the Macau government and decrease in number of visitors visiting Macau during 2020Q3; and (ii) the increase in administrative expenses, which was mainly due to the recognition of impairment loss of right-of-use assets as well as the increase in employee benefits expenses, depreciation expenses and professional fees after the listing of the Company's shares on GEM of the Stock Exchange.

The information in this announcement is only based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for 2020Q3 by the management of the Company and is subject to adjustment. The unaudited consolidated management accounts of the Group for 2020Q3 have not yet been finalised and the information in this announcement has not been reviewed by the audit committee of the Company, and has not been audited or reviewed by the auditor of the Company. The actual quarterly results of the Group for 2020Q3 may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the Company's quarterly results announcement for 2020Q3, which is expected to be published on or around 9 November 2020 in accordance with the GEM Listing Rules.

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, 3 November 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.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at www.yinghaiholding.com.