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 2020 ("**FY2020**") and the information currently available, the Group is expected to record a loss attributable to the owners of the Company for FY2020 not more than HK$29.0 million, as compared to the loss attributable to the owners of the Company of approximately HK$1.1 million or the adjusted profit attributable to the owners of the Company (excluding the listing expenses of approximately HK$16.9 million) of approximately HK$15.8 million for the year ended 31 December 2019 ("**FY2019**").

Based on the information currently available, the Board considers that such expected loss of the Group for FY2020 as compared to FY2019 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 imposed by the Macau government, which led to the substantial decrease in number of visitors visiting to Macau during FY2020; and (ii) the increase in administrative expenses, which was mainly due to the recognition of impairment loss of right-of-use assets and trade receivables 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 to the Board and the preliminary review of the unaudited consolidated management accounts of the Group for FY2020 and is subject to adjustments. The annual results of the Group for FY2020 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 audited annual results of the Group for FY2020 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 FY2020, which is expected to be published in late March 2021 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, 12 March 2021

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.