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NNK GROUP LIMITED
年年卡集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3773)

PROFIT WARNING

This announcement is made by NNK Group Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on the Board's preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the "**Year**"), the Group is expected to record an increase in loss for the Year as compared to a loss of approximately HK$19.0 million for the year ended 31 December 2017. Such result was primarily attributable to (i) the decrease of the average discount rate the Group received from the PRC telecommunication operators, their distributors and other channels from approximately 0.7% for the year ended 31 December 2017 to approximately 0.6% for the Year; and (ii) the decline in mobile top-up requests through electronic banking systems and offline channels. The increase in loss was partly offset by (1) the increase in other income and expenses primarily due to an one-off subsidy of approximately HK$1.9 million received in the first half of the Year, and the increase in unrealised net exchange gain from bank balances denominated in Hong Kong dollars; (2) the decrease in distribution and selling expenses by tightening the costs on marketing campaign with the PRC banks; and (3) the decrease in staff costs mainly due to a decrease in headcount for the Year as a result of the restructuring in the first half of the Year.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Year and other information currently available, and such information has not been reviewed by or discussed with the auditor of the Company. Actual financial results of the Group for the Year may be different from what is disclosed in this announcement. Furthers details on the financial results will be disclosed in March 2019 when the Group publishes its annual results for the Year.

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

By order of the Board of
NNK Group Limited
Huang Junmou
Chairman

Hong Kong, 25 January 2019

As at the date of this announcement, Mr. Huang Junmou and Mr. Yang Hua are the executive Directors; Mr. Li Xiangcheng, Mr. Xu Xinhua and Mr. Yu Zida are the non-executive Directors; and Mr. Lin Zhangxi, Mr. Qian Haomin and Ms. Zhao Jinlin are the independent non-executive Directors.