Jia Yao Holdings Limited
嘉耀控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01626)

PROFIT WARNING

This announcement is made by Jia Yao Holdings Limited (the "**Company**", and 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 (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that based on the information currently available to the management of the Company, the Group is expected to record a net loss after tax for the six months ended 30 June 2019 as compared with the net profit after tax with the corresponding period last year. The net loss after tax for the six months ended 30 June 2019 will range from approximately RMB6.5 million to approximately RMB9.5 million, representing an decrease of approximately RMB24.8 million to RMB27.8 million, as compared to the net profit after tax of approximately RMB18.3 million for the six months ended 30 June 2018. The aforesaid increase in net loss after tax is mainly due to (1) decrease in gross profit because of increasing costs of major raw materials during the six months ended 30 June 2019; and (2) the recognition of fair value loss on convertible notes of approximately RMB3.1 million during the six months ended 30 June 2019 (the recognition of fair value gain on convertible notes of approximately RMB8.4 million during the six months ended 30 June 2018).

The Company is still in the process of finalizing the unaudited consolidated interim results of the Group for the six months ended 30 June 2019. This profit warning announcement is only based on the preliminary assessment by the Company's management of the financial information currently available to it which is subject to finalisation and other potential adjustments, if any, and is not based on any figures or information that has been reviewed or audited by the Company's auditor or the audit committee of the Company. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2019, which is expected to be published on 29 August 2019.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
JIA YAO HOLDINGS LIMITED
Yang Yoong An
Chairman and Executive Director

Hong Kong, 7 August 2019

As at the date of this announcement, the Board comprises Mr. Yang Yoong An (Chairman) as executive Director, Mr. Feng Bin and Mr. Yang Fan as non-executive Directors and Mr. Gong Jinjun, Mr. Zeng Shiquan and Mr. Wang Ping as independent non-executive Directors.