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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 ALERT

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 2019 (the “**Year**”), the Group is expected to record a significant decrease in loss or a turnaround to profit for the Year as compared with a loss of approximately RMB25.8 million for the year ended 31 December 2018. Such result was primarily attributable to (i) the decrease in cost of revenue mainly due to decrease in commission fees charged by PRC banks and other channels for handling mobile top-up service requests via their electronic systems, as a result of reduction of the rates for commission fees charged by certain PRC banks and decrease in gross transaction value from certain channel partners charging higher commission rates; (ii) decreases in distribution and selling expenses, administrative expenses and research and development expenses mainly due to decrease in staff cost and adoption of cost control measures according to the Group’s continuous optimisation of its operating procedure during the Year; (iii) decrease in finance costs mainly due to decrease in average bank borrowings; and (iv) decrease in deferred tax expense.

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. Further details on the financial results will be disclosed in March 2020 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, 20 January 2020

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.