YUSEI HOLDINGS LIMITED
友成控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 96)

PROFIT WARNING

This announcement is made by Yusei Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rules 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 (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders and potential investors of the Company that based on a preliminary assessment of the Group's unaudited consolidated management accounts for the year ended 31 December 2019 (the "**Year**"), the Group's consolidated net profit attributable to equity holders of the Company for the Year is expected to decrease significantly, as compared with last year, due to the decrease in the Group's gross profit margin and the increase in the research and development cost as the Group increased effort to carry out research and development of moulding technology for the Year. Decrease in gross profit margin was mainly due to (i) increase in costs of materials for production; and (ii) increase in direct labour costs. Nevertheless, the overall operations of the Group remain sound and intact and the Group's overall financial position also remains healthy.

The information contained in this announcement is based on a preliminary assessment made by the Board after considering the information currently available (i.e. the Group's unaudited management accounts for the Year) and is not based on any financial data or information that has been audited by the auditors or reviewed by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the final results announcement for the Year, which is expected to be published by the end of March 2020.

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
Yusei Holdings Limited
Katsutoshi Masuda
Chairman

PRC, 16 March 2020

As at the date hereof, the Company's executive directors are Manabu Shimabayashi and Mr. Xu Yong the non-executive directors are Mr. Katsutoshi Masuda and Mr. Toshimitsu Masuda, the independent non-executive directors are Mr. Lo Ka Wai, Mr. Fan Xiaoping and Mr. Hisaki Takabayashi.

* *For identification purpose only*