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 in the range of approximately RMB6.5 million to RMB8.5 million for the six months ended 30 June 2020 as compared to the net loss after tax of approximately RMB4.9 million for the six months ended 30 June 2019 (excluding the recognition of fair value loss on convertible notes of approximately RMB3.1 million recorded for the six months ended 30 June 2019 (30 June 2020: nil)). The aforesaid worsened performance is mainly due to a substantial decrease in gross profit resulting from the decrease in sales of paper cigarette packages by the Group during pandemic outbreak in China in the first quarter of 2020 and decrease in average product price to certain major customers during the six months ended 30 June 2020. The negative effect on the Group's performance was partially offset by the corresponding decrease in distribution costs and administrative expenses due to the pandemic outbreak in China in the first quarter of 2020.

The Company is still in the process of finalizing the unaudited consolidated interim results of the Group for the six months ended 30 June 2020. 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 2020, which is expected to be published on 19 August 2020.

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, 5 August 2020

As at the date of this announcement, the Board comprises Mr. Yang Yoong An as executive Director (Chairman), 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.