Yee Hop Holdings Limited
義合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1662)

PROFIT WARNING

This announcement is made by Yee Hop Holdings Limited (the "**Company**", 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 (the "**Listing Rules**") and the Inside Information Provisions pursuant to 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 of the Company (the "**Shareholders**") and potential investors that, based on information currently available to the Group and a preliminary assessment by the Company's management with reference to the unaudited management accounts of the Group for the six months ended 30 September 2020 (the "**Period**"), the Group is expected to record a decrease of not more than 65% in the profits before taxation for the Period as compared with the profits before taxation of approximately HK$35.4 million for the six months ended 30 September 2019 ("**2019 Corresponding Period**").

The Board considers that the decrease in the profit before taxation is mainly attributable to the followings:

(i) The lower gross profit margin of the on-going projects under the Group's foundation and tunneling business during the Period when compare with that for the on-going projects during the 2019 Corresponding Period as a result of the increase in the overall construction costs and the competitive project pricing due to the intense competition in the construction industry;

(ii) An increase in the research and development costs of Shenzhen BGI Marine Sci & Tech Co., Ltd (an indirect non-wholly owned subsidiary of the Company), which include the costs on the research and development of marine functional products and marine innovative drugs and the related human resources expenses; and

(iii) The worldwide outbreak of the novel coronavirus (COVID-19) epidemic, which adversely affected the operations of the overseas subsidiaries of the Group and accordingly reduced the overall profit before taxation of the Group during the Period.

On the other hand, the decrease in the profit before taxation for the Period caused by the above factors was partly set off by an increase in the share of profit of an associate as a result of the recognition of revenue and profit during the Period upon the delivery of apartments of Birmingham Property Project to the customers during the Period.

Despite the foregoing, the Board considers that the overall business operation and financial position of the Group remain healthy and solid.

The Company has yet to finalise the interim results of the Group for the Period. The financial results of the Group for the Period will only be ascertained after all the relevant results and accounting treatments are finalized. Since the Group's financial performance may also be affected by other factors such as valuation of the Group's assets and liabilities which may result in recognition of additional impairment loss and/or provision, the Company will make further announcement if further material financial information is available.

The information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available that includes the unaudited consolidated management accounts of the Group for the Period, which have not been reviewed by the Company's Audit Committee and Auditors. Details of the Group's financial performance will be disclosed in the interim results announcement of the Group which will be issued on 30 November 2020.

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

By Order of the Board
Yee Hop Holdings Limited
Jim Yin Kwan Jackin
Chairman and Executive Director

Hong Kong, 20 November 2020

As at the date of this announcement, the Executive Directors of the Company are Mr. Jim Yin Kwan Jackin, Mr. Xu JunMin, Mr. Chui Mo Ming, Mr. Yan Chi Tat and Mr. Leung Hung Kwong Derrick; and the Independent Non-executive Directors are Mr. Lee Luk Shiu, Mr. Yu Hon Kwan and Mr. Wong Chi Keung Johnny.