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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 year ended 31 December 2020 as compared to the net profit after tax of approximately RMB7.5 million for the year ended 31 December 2019. The net loss after tax for the year ended 31 December 2020 will range from approximately RMB28.5 million to RMB31.5 million, representing a decrease of approximately RMB36.0 million to RMB39.0 million, as compared to the net profit after tax of approximately RMB7.5 million for the year ended 31 December 2019. The aforesaid worsened performance is mainly due to (i) a substantial decrease in sales of paper cigarette packages by the Group during pandemic outbreak in China in the first quarter of 2020, which as disclosed in the profit warning announcement of the Company dated 5 August 2020, was partially offset by the corresponding decrease in distribution costs and administrative expenses; and (ii) a decrease in average product price to certain major customers resulting in a decrease in corresponding profit margin for the year ended 31 December 2020.

The Company is still in the process of finalizing the audited consolidated results of the Group for the year ended 31 December 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 annual results announcement of the Company for the year ended 31 December 2020, which is expected to be published on 25 March 2021.

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, 8 March 2021

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.