MS GROUP HOLDINGS LIMITED

萬成集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1451)

PROFIT WARNING

This announcement is made by MS Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review and analysis of the latest available unaudited management accounts of the Group for the year ended 31 December 2018, despite the Group is expected to record a slight annual increase in total revenue for the year ended 31 December 2018, (i) the revenue from the OEM business is expected to record an annual decline and the revenue recorded from a major customer of the OEM business is expected to be significantly less than that anticipated by the Group for the year ended 31 December 2018; and (ii) the Group is expected to report a net loss after tax of approximately HK$3 million after including listing expenses of approximately HK$9 million for the year ended 31 December 2018. If the listing expenses were excluded, the Group would record an unaudited net profit after tax of approximately HK$6 million for the year ended 31 December 2018, as compared with the net profit after tax (excluding listing expenses) of approximately HK$24 million for the year ended 31 December 2017. The decrease in profit is principally attributable to the following factors:

- the decrease in the overall gross profit margin primarily due to the increase in the unit procurement costs of raw materials, including plastic resin and packaging materials;
- the increase in administrative expenses due to the increase in payroll expenses on additional headcounts and the increased professional fees after listing; and
- the increase in selling, distribution and promotion expenses for developing and promoting the Yo Yo Monkey brand of the Group, being a growing business segment of the Group in the People's Republic of China.

The information contained in this announcement is only based on the preliminary assessment made by the management of the Group with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and the information currently available. Actual financial results of the Group for the year ended 31 December 2018 may be different from what is disclosed in this announcement.

Shareholders and potential investors are advised to refer to the details of the financial results of the Group for the year ended 31 December 2018, which are expected to be published in or about March 2019.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

On behalf of the Board
MS Group Holdings Limited
Chau Ching
Chairman

Hong Kong, 19 February 2019

As of the date of this announcement, the executive Directors are Mr. Chau Ching, Mr. Chung Kwok Keung Peter, Mr. Chung Leonard Shing Chun and Mr. Chau Wai; and the independent non- executive Directors are Mr. Yu Hon To David, Mr. Seto John Gin Chung and Mr. Asvaintra Bhanusak.