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TEN PAO GROUP HOLDINGS LIMITED

天寶集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1979)

PROFIT WARNING

This announcement is made by Ten Pao Group Holdings Limited (the “**Company**”, 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 25 May 2018 and the interim report of the Company for the six months ended 30 June 2018 dated 10 August 2018. The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review by the Board on the unaudited management accounts of the Group for the ten months ended 31 October 2018, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and taking into consideration the sales and shipping plan of the Group for November and December 2018 and the information currently available to the Board, it is expected to record a profit attributable to owners of the Company for the year ending 31 December 2018, as oppose to a loss attributable to owners of the Company for the six months ended 30 June 2018. Notwithstanding the improvement in the financial performance of the Group in the second half of 2018, the Group is expected to record a decrease in profit attributable to owners of the Company for the year ending 31 December 2018 by approximately 70% as compared to a profit attributable to owners of the Company of approximately HK\$158 million for the year ended 31 December 2017. The expected decrease is mainly due to the increase of raw material cost and salary putting gross profit under pressure, and the negative impact of Renminbi appreciation on the export business during the first half of the year ending 31 December 2018.

As the Company has not yet prepared the consolidated financial results of the Group for the year ending 31 December 2018, the information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited management accounts of the Group for the ten months ended 31 October 2018, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. The actual financial results of the Group for the year ending 31 December 2018 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully about the announcement of the Company for the annual results for the year ending 31 December 2018, which is expected to be published in March 2019 in accordance with the requirements of the Listing Rules.

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

By order of the Board
Ten Pao Group Holdings Limited
Hung Kwong Yee
Chairman & Chief Executive Officer

Hong Kong, 19 November 2018

As at the date of this announcement, the executive directors of the Company are Mr. Hung Kwong Yee and Mr. Hung Sui Tak; and the independent non-executive directors of the Company are Mr. Lam Cheung Chuen, Mr. Chu Yat Pang Terry and Mr. Lee Kwan Hung.