Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

MS Group Holdings Limited
萬成集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1451)

PROFIT WARNING

This announcement is made by MS Group Holdings Limited ("**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 ("**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 ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that, based on the preliminary review and analysis of the latest available unaudited management accounts of the Group, the Group is expected to report a loss of approximately HK$5.7 million after including listing expenses of approximately HK$8.8 million for the six months ended 30 June 2018. However, if the listing expenses were excluded, the Group would record an unaudited net profit after tax of approximately HK$3 million for this period, as compared with the unaudited net profit after tax (excluding listing expenses) of approximately HK$12.8 million for the six months ended 30 June 2017. The decrease in profit is principally attributable to the following factors:

- the decrease in the overall gross profit margin primarily due to (a) the increase in operating costs of the Group in the People's Republic of China ("**PRC**") resulting from the appreciation of Renminbi against Hong Kong dollars over the period; (b) the increase in the unit procurement costs of raw materials, including plastic resin and packaging materials; and (c) the decrease in revenue from the OEM business by 13% for the six months ended 30 June 2018 when compared with the same period in 2017 (the OEM business segment is the major profit contributor of the Group); and

- the significant 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 PRC.

The information contained in this announcement is only based on the preliminary assessment made by the management of the Group with reference to the information currently available, which has not been reviewed or audited by the auditors of the Company. Actual financial results of the Group for the six months ended 30 June 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 six months ended 30 June 2018, which are expected to be published in August 2018.

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, 27 July 2018

As of the date of this announcement, the executive Directors are Mr. Chung Kwok Keung Peter, Mr. Chau Ching, 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.