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TIAN CHANG GROUP HOLDINGS LTD.

天長集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2182)

PROFIT WARNING AND BUSINESS UPDATE

PROFIT WARNING

This announcement is made by Tian Chang Group Holdings Ltd. (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 (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the five months ended 31 May 2020 and the information currently available to the Board. The Group is expected to record a decrease in revenue of more than 50% (six month ended 30 June 2019: HK\$666.7 million) and a drop in net profit of more than 90% (six month ended 30 June 2019: HK\$65.9 million) for the six months ended 30 June 2020 as compared to the corresponding period in 2019.

The Board considers that the expected decrease in net profit and revenue are mainly attributable to the following factors:

1. as a result of the outbreak of the novel coronavirus (COVID-19) pandemic and the lockdown measures imposed by various countries, the demand of our products has decreased. In addition, at the request of certain customers, the manufacturing and delivery of products for some confirmed orders were delayed or suspended;
2. the depreciation of Renminbi during the first half of 2020.

The Company is in the course of finalising the unaudited consolidated results for the six months ended 30 June 2020. The information contained in this announcement is based on the preliminary information available to the Board and the unaudited consolidated management accounts of the Group which has not been reviewed nor audited by the auditor of the Company. The information currently available to the Board has not been discussed with the auditor of the Company.

The interim results of the Group for the six months ended 30 June 2020 will be announced by the Group by the end of August 2020 in accordance with the required timetable under the Listing Rules.

BUSINESS UPDATE

The outbreak of the COVID-19 pandemic has resulted in a worldwide demand of disposable face masks. The Group expects that the demand will continue and has established a production line for face masks by utilising the cleanroom facilities in its production plant in Huizhou and by acquiring mask production machines. The Group has obtained the international quality standard certificates for its face mask products. The Group has commenced the trial run for production and will commence the mass production of face masks when the necessary testing and inspection in trial run is completed satisfactorily.

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

By Order of the Board
TIAN CHANG GROUP HOLDINGS LTD.
CHAN Tsan Lam
Chairman

Hong Kong, 7 July 2020

As at the date of this announcement, the Board comprises Mr. Chan Tsan Lam, Ms. Poon Po Han Lisa and Ms. Chan Yin Yan as executive Directors; and Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai as independent non-executive Directors.