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Dragon King Group Holdings Limited

龍皇集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8493)

PROFIT WARNING

This announcement is made by Dragon King Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM 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 would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and other information currently available to the Board, the Group expected to record a net loss of approximately HK\$74.0 million for the year ended 31 December 2020 as compared to a net loss of approximately HK\$35.5 million recorded for the year ended 31 December 2019.

The Board considered that the expected loss was mainly attributable to the combined effects of (i) the significant decrease in the revenue received of approximately HK\$206.3 million during the year as compared to 2019; (ii) the impairment losses on property, plant and equipment and right-of-use assets of our restaurants of approximately HK\$22.4 million primarily as the result of the continuous outbreak of the novel coronavirus throughout the year and series of anti-epidemic measures implemented causing adverse impacts on the number of customers and their frequency of visit, which further influencing the impairment assessments for some of our restaurants and (iii) the impairment loss under the expected credit loss model of approximately HK\$8.9 million. The abovementioned effects have been partially offset by the government subsidies in the amount of approximately HK\$17.6 million received by the Group during the year.

The Company is still in the process of preparing and finalising the results of the Group for the year ended 31 December 2020. Actual results of the Group for the year ended 31 December 2020 may be different from those disclosed in this announcement. Shareholders and potential investors of the Company are advised to refer to the details of the Company's annual results announcement for the year ended 31 December 2020, which is expected to be published on 30 March 2021.

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

By order of the Board
Dragon King Group Holdings Limited
Lee Ching Nung Angel
Chairman and Executive Director

Hong Kong, 29 March 2021

As at the date of this announcement, the Board comprises Ms. Lee Ching Nung Angel, Mr. Wong Wing Chee, Mr. Wong Wing Hong and Mr. Chan Ko Cheung as executive Directors; and Mr. Kwong Ping Man, Mr. Lin Zhisheng and Mr. Chang Cheuk Cheung Terence as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and will be published on the Company's website at www.dragonkinggroup.com.