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Tycoon Group Holdings Limited

滿貫集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3390)

POSITIVE PROFIT ALERT

This announcement is made by Tycoon Group Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules).

TURNAROUND OF RESULTS DURING 1H2022

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 assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (“**1H2022**”) and the information currently available, the Group’s net results during 1H2022 is expected to turn around to record a profit of not less than approximately HK\$20.0 million as opposed to a loss of approximately HK\$10.2 million for the six months ended 30 June 2021 (“**1H2021**”), in each case, before the share of profit by the non-controlling interests.

The expected turnaround in results for 1H2022 is primarily due to the combination of (i) an increase in revenue and gross profit; and (ii) a significant decrease in write-down of inventories.

Increase in revenue and gross profit

The Group’s revenue for 1H2022 is expected to increase by not less than 50% (1H2021: HK\$380.7 million) reaching over HK\$570 million which is the record high for the first half of the financial year since inception of the Group. Its gross profit for 1H2022 is expected to increase by not less than 60% (1H2021: HK\$71.5 million). The Directors attribute such increase to (i) the significant increase in distribution sale as we optimized our product portfolio; and (ii) the increase in e-commerce sales as a result of continuous efforts in the development and expansion of e-commerce sales.

Decrease in write-down of inventories

For 1H2021, the Group recorded a write-down of inventories of approximately HK\$11.1 million for products which were not merchantable and provision for certain health and well-being related products with relatively shorter shelf life.

For 1H2022, the amount of the Group's write-down of inventories is expected to decrease by more than 65%. The expected decrease in the Group's write-down of inventories was mainly due to better inventory management and the Group has taken into account the decline of consumer sentiment during the ongoing coronavirus pandemic and the Group has taken a more prudent approach in sourcing products and placing of purchase orders.

GENERAL

The Company is still in the course of finalising its interim results for 1H2022. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Company and information currently available to the Board and may be subject to adjustment and change. All such unaudited consolidated management accounts and information currently available have not been reviewed by the audit committee of the Board. Shareholders and potential investors of the Company are advised to read the interim results of the Group which will be disclosed in the interim results announcement to be published by the Company by the end of August 2022.

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

On behalf of the Board
Tycoon Group Holdings Limited
Wong Ka Chun Michael

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 27 July 2022

As at the date of this announcement, the executive Director is Mr. Wong Ka Chun Michael; the non-executive Directors are Mr. Cao Weiyong, Ms. Chong Yah Lien, Ms. Li Ka Wa Helen and Mr. Lau Ka On David; and the independent non-executive Directors are Mr. Chung Siu Wah, Ms. Chan Ka Lai Vanessa and Mr. Mak Chung Hong (also known as Mak Tommy Chung Hong).