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Kin Shing Holdings Limited
建成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1630)

PROFIT WARNING

This announcement is made by Kin Shing Holdings Limited (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 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on its initial assessment of the latest unaudited consolidated management accounts of the Group and the information currently available to the Company, the Group expects to record a consolidated net loss for the year ended 31 March 2019, as compared to the consolidated net profit of approximately HK\$27.3 million for the year ended 31 March 2018.

The Board is of the view that the expected consolidated net loss is due to the aggregate effect of the followings:

- (a) Increase in other loss due to the loss on disposals of financial assets at fair value through profit or loss for the year ended 31 March 2019;
- (b) Increase of direct costs as a result of (i) an increase in the direct staff costs and subcontracting costs due to the unexpected delay in the commencement of certain formwork works projects which prolonged the duration of the construction programmes and the additional costs caused by the unexpected changes to the on-site arrangements; and (ii) a decrease in the gross profit margin of newly awarded formwork works projects as a result of the keen competition for new formwork works contracts in the market;
- (c) Increase in the finance cost due to the increase in interest expenses on the existing bank loan and a loan from a related company during the year ended 31 March 2019.

When excluding the other loss due to the loss on disposals of financial assets at fair value through profit or loss during the year ended 31 March 2019, the Group's consolidated net loss would have decreased by approximately HK\$36.6 million.

Shareholders and potential investors should note that the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the information currently available to the Board and it has not been audited or reviewed by the auditor of the Company, nor has been confirmed by the Audit Committee of the Company. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the annual results of the Group for the year ended 31 March 2019, which is expected to be published by the end of June 2019.

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

By order of the Board
Kin Shing Holdings Limited
Leung Chi Kit
Chairman and Executive Director

Hong Kong, 21 June 2019

As at the date of this announcement, Mr. Leung Chi Kit, Ms. Tso Yuk Ching, Mr. Chow Dik Cheung and Mr. Chan Sik Mau are the Executive Directors; and Mr. Chang Chun Pong, Mr. Tsui Leung Cho and Mr. Lam Kai Yeung are the Independent Non-Executive Directors.