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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 substantial decrease in its consolidated net profit for the six months ended 30 September 2018 as compared to the consolidated net profit of approximately HK\$27.8 million for the six months ended 30 September 2017.

The substantial decrease in the net profit is mainly attributable to, among other factors, the aggregate effect of the followings:

- (a) Increase in other loss due to a loss in fair value change and disposals of financial assets at fair value through profit or loss during the six months ended 30 September 2018;
- (b) Increase in direct cost recognised by the Group for the six months ended 30 September 2018 mainly due to (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; (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; (iii) several projects which contributed a high gross profit margin during the six months ended 30 September 2017 have been completed as at 30 September 2017;
- (c) Increase in the finance cost due to the increase in interest expenses on the existing bank loans and loan from a related company during the six months ended 30 September 2018.

When excluding the other loss due to a loss in fair value change and disposals of financial assets at fair value through profit or loss during the six months ended 30 September 2018, the Group's net profit would have decreased by approximately 5% as compared with that for the six months ended 30 September 2017.

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 has been reviewed 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 interim results of the Group for the six months ended 30 September 2018, which is expected to be published by the end of November 2018.

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, 27 November 2018

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.