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SFK Construction Holdings Limited

新福港建設集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1447)

PROFIT WARNING

This announcement is made by SFK Construction 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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 of the information currently available to the Board, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, the Group’s unaudited consolidated net profit for the six months ended 30 June 2019 is expected to decrease by approximately 70% to 80% as compared with the six months ended 30 June 2018. Such decrease in profit for the six months ended 30 June 2019 is mainly attributable to:

1. Decline in the overall gross profit margin as a result of replacement of non-performing subcontractors leading to an increase in overall subcontracting costs;
2. Unexpected prolonged period of inspection of work done and certification of payments caused deterioration in project cash flows and increase in financing costs; and
3. Certain projects with relatively high profit margin were completed or nearly completed during the period and contributions in revenue and profit by such projects were reduced.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2019. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, which have not been reviewed or audited by the Company’s auditor or reviewed by the audit committee of the Company and are subject to adjustment. The actual interim results of the Group for the six months ended 30 June 2019 may be different from the information disclosed in this announcement. Shareholders of the Company

and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2019, which is expected to be published by the end of August 2019 in accordance with the Listing Rules.

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

By order of the Board
SFK Construction Holdings Limited
Chan Ki Chun
Chairman

Hong Kong, 16 August 2019

As at the date of this announcement, the executive directors of the Company are Mr. Chan Ki Chun, Mr. Chan Chor Tung, Mr. Yung Kim Man and Mr. Yeung Cho Yin, William; and the independent non-executive directors of the Company are Mr. Lam Leung Tsun, Mr. Jim Fun Kwong, Frederick and Mr. Chan Kim Hung, Simon.