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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 year ended 31 March 2018, as compared to the consolidated net profit of approximately HK\$67.6 million for the year ended 31 March 2017.

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

- (a) Decrease of revenue due to (i) three sizable formwork works projects (total contract amount of approximately HK\$448.5 million and were being awarded to the Group during the period from October 2017 to January 2018) are at the initial stage of the construction cycle, hence the revenue generated for the year ended 31 March 2018 is minimal; and (ii) there were downward adjustments in the original contract sum and variation orders of certain formwork works projects as a result of revisions of the construction plans by the customers;
- (b) Increase of direct costs as a result of (i) an increase in the direct staff costs and subcontracting fees 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) an increase of depreciation expense arising from newly acquired scaffold equipment of over HK\$10 million. The acquisition of these scaffold equipment was financed by the

proceeds of the share offer made by the Company on 16 June 2017; and (iii) 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 and the new bank loans drawdowns during the year ended 31 March 2018.
- (d) Increase in the administrative expenses which include increase in staff costs (mainly due to the increase in remuneration and staff benefits), and professional fees subsequent to the listing of the Company's ordinary shares on the Main Board; and non-recurring marketing expenses.

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 2018, which is expected to be published by the end of June 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, 13 April 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.*