

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

WING CHI HOLDINGS LIMITED

榮智控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6080)

PROFIT WARNING

This announcement is made by Wing Chi 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 a preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 March 2021 (the “**FY2021**”) and the financial information currently available to the Board, the Group is expected to record a net loss attributable to owners of the Company of not less than approximately HK\$45 million for the FY2021 as compared to the net loss attributable to owners of the Company of approximately HK\$13.7 million for the year ended 31 March 2020 (the “**FY2020**”).

The Board considers that such an increase in loss is mainly due to:

1. substantial loss being incurred in some of the foundation and site formation works due to (i) the need to employ additional resources to deal with the unforeseen ground conditions and site constraints in the construction projects and (ii) delay in the handover of certain works area and change of construction methods by clients which in turn impaired construction efficiency;
2. the adverse impact resulting from the outbreak of the novel coronavirus (“**COVID-19**”) which caused (i) the deterioration of the macro-economy and the increase of the difficulty in the Group’s negotiation with its customers on the construction workdone of the completed projects and (ii) the delay in site progress which increased the cost to maintain the requisite site workforce and other machinery and equipment; and
3. the decrease in gross profit margin due to severe competition in the foundation and site formation market following (i) the suppression of contract prices in both the public and the private sectors and (ii) the overall weakness of the economy.

As the Company is still in the process of finalising the annual results of the Group for the FY2021, the information contained in this announcement represents only a preliminary assessment by the Board with reference to the latest unaudited consolidated management accounts of the Group and other information currently available, which have not been reviewed by the Auditors of the Company, nor have been confirmed by the Audit Committee of the Company. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the FY2021 which is expected to be published by the end of June 2021 in accordance with the Listing Rules.

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

By Order of the Board
Wing Chi Holdings Limited
Li Cheuk Kam
Chairman

Hong Kong, 3 May 2021

As at the date of this announcement, the Executive Directors are Mr. Li Cheuk Kam and Mr. Li Wai Fong; the Non-executive Director is Mr. Poon Wai Kong; and the Independent Non-executive Directors are Mr. Wong Chik Kong, Mr. Chan Chung Kik, Lewis and Mr. Lee Kwok Lun.