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## **WING CHI HOLDINGS LIMITED**

### **榮智控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6080)**

### **INSIDE INFORMATION EXPECTED SIGNIFICANT DECREASE IN LOSS**

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 condensed consolidated management accounts for the six months ended 30 September 2019 (the “**Period**”) and the financial information currently available to the Board, the Group’s condensed consolidated net loss for the Period is expected to decrease significantly within the range of approximately 60% to 80% as compared to the condensed consolidated net loss of approximately HK\$26.8 million for the six months ended 30 September 2018. Such expected significant decrease in the condensed consolidated net loss for the Period was mainly due to improvement of gross profit margin.

Based on the information currently available, the Board also wishes to inform the Shareholders and potential investors that the expected revenue of the Group for the Period will decrease slightly since most of the Group’s foundation and site formation works have substantially been completed but fewer number of contracts with small contract sum were being awarded to the Group as compared to the corresponding period of last year. The reduction in the number and the contract sum of contracts awarded to the Group were mainly due to the severe competition in the foundation and site formation market following (i) an increase in market participants, (ii) a decrease in the number of open tenders and the suppressed contract prices in both the public and the private sectors and (iii) the overall weakness of the economy.

Despite the decrease in revenue for the Period, the gross profit margin of the Group for the Period has improved mainly due to (i) most loss projects have substantially been completed in the corresponding period of last year and the number of loss projects for the Period has substantially been reduced; and (ii) the delay in works area handover by clients we have experienced in the Period have reduced, consequently increased the construction efficiency and resulted in improvement in the gross profit margin of the Group.

As the Company is still in the process of finalising the unaudited condensed consolidated interim results of the Group for the Period, the information contained in this announcement represents only a preliminary assessment by the Board with reference to the latest unaudited condensed 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 interim results announcement of the Group for the Period which is expected to be published by the end of November 2019.

**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, 23 October 2019

*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.*