

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.



PAK WING GROUP (HOLDINGS) LIMITED

柏榮集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8316)

PROFIT WARNING

This announcement is made by Pak Wing Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**Inside Information Provisions**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company and potential investors, based on information currently available to the Board and a preliminary review of the latest unaudited consolidated management accounts of the Group for the year ended 31 March 2017, despite the fact that there was an increase in the Group’s revenue for the year ended 31 March 2017, the Group is expected to record an increase in net loss as compared to the net loss of approximately HK\$15.8 million recorded for the corresponding period in 2016 (exclusive of the impact of one-off listing expenses of approximately HK\$6.4 million).

Based on the relevant information currently available to the Board, the Board considers that such loss incurred was mainly attributable to the declined gross profit margin as a result of an increase in operating expenses incurred in order to meet additional requirements of certain foundation projects, and the increasing competition from other contractors seeking to tender projects at lower price.

As the Group is still in the process of preparing its annual results for the year ended 31 March 2017, the information contained in this announcement is only a preliminary assessment based on the information currently available to the Board and the latest unaudited consolidated management accounts of the Group for the year ended 31 March 2017, which has not been audited or reviewed by the auditors of the Company. Finalised results of the Group for the year ended 31 March 2017 will be disclosed in the annual results announcement for the year ended 31 March 2017 to be published by the Company in compliance with the GEM Listing Rules, which is expected to be approved and announced by the Board by the end of June 2017.

Reference is made to (i) the announcement (“**Joint Announcement**”) jointly issued by Steel Dust Limited (“**Offeror**”) and the Company dated 6 March 2017 in relation to, among other things, the entering into of a sale and purchase agreement (the “**Sale and Purchase Agreement**”) for the sale and purchase of 600,000,000 shares (the “**Shares**”) of HK\$0.01 each the Company and the possible mandatory unconditional cash offer (the “**Offer**”) to be made by Freeman Securities Limited for and on behalf of the Offeror to acquire all the issued Shares other than those already owned by the Offeror and parties acting in concert with it; and (ii) the announcement jointly issued by the Offeror and the Company dated 8 March 2017 in relation to, among others, the completion of the Sale and Purchase Agreement. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

Pursuant to Rule 10 of the Takeovers Code, the profit warning included in this announcement (the “**Profit Warning**”) constitutes a profit forecast and is required to be reported on by the Company’s financial advisers and its auditor or accountant in accordance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made pursuant to Rule 17.10(1) of the GEM Listing Rules and the Inside Information Provisions, which requires the Company to issue a profit warning announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors that this profit warning does not meet the standard required by Rule 10 of the Takeovers Code. This profit warning is normally required to be separately reported on by the Company’s financial advisers and its auditor or consultant accountant and such reports shall be contained in the next document to be issued by the Company to the Shareholders in connection with the Offer. The profit warning will be reported on in accordance with Rule 10 of the Takeovers Code and such reports will be included in the Composite Document unless the annual results announcement for the year ended 31 March 2017 has been published prior to the Composite Document to be issued to the Shareholders in relation to the Offer.

Shareholders and potential investors of the Company should note that this profit warning has not been reported on in accordance with the requirements under Rule 10.4 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution in placing reliance on the forecast in assessing the merits and demerits of the Offer. 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
Pak Wing Group (Holdings) Limited
Wong Chin To
Chairman

Hong Kong, 7 April 2017

As at the date of this announcement, the executive Directors are Mr. Wong Chin To, Mr. Tse Chun Kit, Mr. Lui Man Wah and Mr. Ee Kok Wai Thomas; and the independent non-executive Directors are Mr. Wong Chi Shing, Mr. Lau Yik Lok and Mr. Yan Chun Fu.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to their best knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.pakwingc.com.