STEVE LEUNG DESIGN GROUP LIMITED
梁志天設計集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2262)

PROFIT WARNING

This announcement is made by STEVE LEUNG DESIGN GROUP LIMITED (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 the information currently available to the Company and the Board's preliminary assessment of the latest unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2018, the Group is expected to record a drop in net profit for the year ended 31 December 2018 in the range of 15% to 25%, as compared to that for the year ended 31 December 2017.

Based on the information currently available to the Company, the Board considers that the aforesaid drop in net profit was mainly caused by (i) the macroeconomics atmosphere following the implementation of property market cooling measures in the PRC and the Sino-US Trade War, which resulted in fewer interior design project awarded to the Group than expected during the second half of the year of 2018; (ii) the slowdown of demand from high-end customers and the intensified market competition during the second half of year of 2018; (iii) the increase in staff cost; (iv) the increase in rental for the expanded office premises; (v) the increase in marketing expenses; (vi) the one-off incurrence of listing expenses; and (vii) the listing maintenance expenses.

The information contained in this announcement is only a preliminary assessment by the Board based on the latest unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2018 and other information currently available to the Company, which has not been confirmed, audited nor reviewed by the Company's auditor. The actual financial results of the Group for the year ended 31 December 2018 may be different from what is disclosed herein. Details of the financial performance of the Group will be disclosed in the Company's annual results announcement for the year ended 31 December 2018 which will be published on or before 31 March 2019.

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

By order of the Board
Steve Leung Design Group Limited
梁志天設計集團有限公司
Xu Xingli
Chairman

Hong Kong, 7 December 2018

As at the date of this announcement, the executive Directors are Mr. Siu Man Hei (Chief Executive Officer), Mr. Yip Kwok Hung Kevin (Chief Financial Officer), Mr. Ding Chunya, Ms. Kau Wai Fun, the non-executive Directors are Mr. Xu Xingli (Chairman) and Mr. Xie Jianyu, and the independent non-executive Directors are Mr. Tsang Ho Ka Eugene, Mr. Liu Yi and Mr. Sun Yansheng.