Affluent Foundation Holdings Limited
俊裕地基集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1757)

PROFIT WARNING

This announcement is made by Affluent Foundation 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 the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2019 (the "**Relevant Period**"), the Group anticipates to report a net loss for the Relevant Period as compared to a net profit for the same period last year. The Board considers that such change from profit to loss are mainly attributable to:

1. substantial increase in costs from foundation and site formation work due to unexpected bad geological conditions of the work sites, particularly the site located in Tsuen Wan, resulting in involving more labours to work; and

2. decrease in gross profit margin due to (a) substantial loss being incurred in some of the project works and variation orders of the completed projects; and (b) additional resources being required to deal with unforeseen ground conditions and site constraints in several construction projects; and (c) certain work done from construction projects is still under negotiation with customers which we have incurred service costs.

As the Company is still in the process of preparing and finalizing the Group's annual results for the Relevant Period, the information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the current unaudited consolidated management accounts of the Group and all information currently available to the Board, and such information has not been audited or reviewed by the independent auditors of the Company, nor have been confirmed by the audit committee of the Company. Therefore, the actual results of the Group for the Relevant Period may differ from the information contained in this announcement. Shareholders and potential investors are advised to refer to the Group's annual results announcement for the Relevant Period which is expected to be published by the end of June 2019.

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

By order of the Board
Affluent Foundation Holdings Limited
Chan Siu Cheong
Chairman

Hong Kong, 13 June 2019

As at the date of this announcement, the executive Directors are Mr. Chan Siu Cheong and Mr. Sin Ka Pong, and the independent non-executive Directors are Mr. Ho Chi Wai, Mr. Cheung Kwok Yan Wilfred and Mr. Lau Leong Ho.