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.

Lap Kei Engineering (Holdings) Limited
立基工程(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1690)

PROFIT WARNING

This announcement is made by Lap Kei Engineering (Holdings) Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) 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 of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the information currently available to the Board, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, it is expected that the Group's revenue for the six months ended 30 June 2019 will record decrease of approximately 40%, and record a net loss for the six months ended 30 June 2019 whereas the unaudited consolidated net profit recorded in the last corresponding period was HK$16.77 million. Such change from profit to loss is mainly attributable to:

1. unexpected prolonged completion of the Group's projects which led to the overrun of the Group's project cost. As a result, the Group's expected gross profit margin of various projects dropped significantly;

2. drop in number of projects undergoing during the six months ended 30 June 2019 further drove down the Group's revenue recognised during the period; and

3. the Group's average contract amount decreased compared to that of last year. The Group's revenue for the six month ended 30 June 2019 decreased accordingly.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2019. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available including the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditor or reviewed by the audit committee of the Company and are subject to adjustment. The actual interim results of the Group for the six months ended 30 June 2019 may be different from what is disclosed in this announcement. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2019, which is expected to be published by the end of August 2019 in accordance with the Listing Rules.

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
LAP KEI ENGINEERING (HOLDINGS) LIMITED
Mr. Wong Kang Kwong
Chairman and Executive Director

Hong Kong, 12 August 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Wong Kang Kwong, Ms. So Nui Ho and Mr. Tang Chun Man Joseph; and the independent non-executive Directors of the Company are Mr. Chung Yuk Ming, Christopher, Mr. Fok Ka Chi and Mr. Tam Chun Chung.