SFK Construction Holdings Limited
新福港建設集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1447)

PROFIT WARNING

This announcement is made by SFK Construction 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company 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 year ended 31 December 2019 (the "**Year**"), the Group expects to record a consolidated loss after taxation for the Year, as compared to the consolidated profit after taxation for the year ended 31 December 2018. Based on the information currently available, the Board believes such change from profit to loss was mainly attributable to the following factors:

1. Certain projects with relatively high profit margin were completed or nearly completed during the Year resulting in a reduction of contributions in revenue and profit by such projects for the Year;

2. Decline in the overall gross profit margin as a result of replacement of non-performing subcontractors leading to an increase in overall subcontracting costs;

3. Unexpected prolonged period of inspection of work done and certification of payments causing a deterioration in project cash flow and an increase in financing costs; and

4. Social unrest and mass street protests in Hong Kong in the second half of the Year had a negative impact on the Group's management of the construction sites, leading to an increase in overall operating costs.

The Company is still in the process of finalising the annual results of the Group for the Year. 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 for the Year, which have not been audited by the Company's auditor or reviewed by the audit committee of the Company and are subject to adjustment. The actual annual results of the Group for the Year may be different from the information disclosed in this announcement. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for the Year, which is expected to be published by the end of March 2020 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
SFK Construction Holdings Limited
Chan Ki Chun
Chairman

Hong Kong, 2 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. Chan Ki Chun, Mr. Chan Chor Tung, Mr. Yung Kim Man and Mr. Yeung Cho Yin, William; and the independent non-executive directors of the Company are Mr. Lam Leung Tsun, Mr. Jim Fun Kwong, Frederick and Mr. Chan Kim Hung, Simon.