B & D Strategic Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1780)

PROFIT WARNING

This announcement is made by B & D Strategic Holdings Limited (the "**Company**", and together with its subsidiaries, collectively as 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 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 of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2020 (the "**FY2020**") currently available to the Board, it is expected that the Group will record a decrease in the profit and total comprehensive income attributable to owners of the Company of approximately 10% as compared to that for the year ended 31 March 2019 (the "**FY2019**") of approximately HK$33.4 million. The Board considers that such decrease was mainly due to the decrease in profit of the Company of approximately 70% in the second half of FY2020 (the "**2H2020**") as compared to that of approximately HK$23.3 million recorded for the first half of FY2020 (the "**1H2020**"), while the decrease in profit for the 2H2020 was primarily attributable to the following:

(a) decrease of gross profit from certain projects of alteration and addition works with relatively larger contract sums as a result of the increase of direct costs incurred in the fourth quarter of the FY2020 (the "**4Q2020**") due to the impact arising from the outbreak of the COVID-19 pandemic (the "**Epidemic**") since the 4Q2020;

(b) certain projects of alteration and addition works with relatively larger contract sums were completed or substantially completed before the third quarter of the FY2020, and new projects awarded after the 1H2020 were those with relatively lower contract sums and lower gross profit margin. It is considered a result of the keen tender competition which is mainly due to the impact arising from social events in Hong Kong since the third quarter of the FY2020 and the Epidemic; and

(c) the planned construction progress of certain projects of civil engineering works were adversely affected due to the Epidemic, hence, additional costs were incurred in the 4Q2020 in order to catchup with the planned construction progress of such projects.

The Company is still in the process of finalising the audited consolidated annual results of the Group for the FY2020. The information contained in this announcement is solely based on the preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board, which have not been audited or reviewed by the Company's auditor and audit committee, and are subject to adjustments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the FY2020 which is expected to be published before the end of June 2020 in accordance with the Listing Rules.

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

By Order of the Board
B & D Strategic Holdings Limited
Tang Wing Kwok
Chairman and Executive Director

Hong Kong, 8 June 2020

As at the date of this announcement, the Board comprises Mr. Tang Wing Kwok and Mr. Lo Wing Hang as executive Directors; and Mr. Yeung Tze Long, Mr. Cheung Ting Kin and Mr. Chan Pui Hang Ian as independent non-executive Directors.