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LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 255)

Website: <http://www.irasia.com/listco/hk/lkm>

PROFIT WARNING

This announcement is made by the Board pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

Based on the currently available information, the Board wishes to inform the Shareholders and potential investors of the Company that the amount of the 2018 Profit is expected to record a decrease by about 40% as compared with the 2017 Profit.

The Board expects that the announcement of the audited consolidated final results of the Group for the year ended 31 December 2018 will be published before the end of March 2019.

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

This announcement is made by the board of directors (the “**Board**”) of Lung Kee (Bermuda) Holdings Limited (the “**Company**” which 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 (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Following the review of the currently available information which includes, but without limitation to, the unaudited management accounts of the Group, the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the amount of the consolidated profit attributable to the owners of the Company for the year ended 31 December 2018 (the “**2018 Profit**”) is expected to record a decrease by about 40% as compared with the consolidated profit attributable to the owners of the Company for the year ended 31 December 2017 (the “**2017 Profit**”). The decrease in the amount of the 2018 Profit is mainly attributable to the following principal factors:

- (1) the absence of the one-off gain of about HK\$56,000,000, which was about 20% of the 2017 Profit, recorded in the year 2017, from a gain on disposal of the factory property by an indirect wholly-owned subsidiary of the Company; and

- (2) the intensified trade war between China and the United States has led to the slowdown in the economy and the sluggish markets for many industries in China. The China customers were very prudent in making investment decisions. Hence, the Company's revenue and gross profit margin were badly affected during the second half of the year 2018.

The Company is finalising the consolidated final results of the Group for the year ended 31 December 2018. Hence, the information disclosed in this announcement only represents a preliminary assessment by the Board and the management of the Group based on the information currently available to the Board. The audited consolidated final results of the Group may be subject to adjustments following further review by the Board, discussions with the auditor of the Company and completion of the required auditing procedures.

The Board expects that the announcement of the audited consolidated final results of the Group for the year ended 31 December 2018 will be published before the end of March 2019.

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

By Order of the Board
Wai Lung Shing
Director and Company Secretary

Hong Kong, 30 January 2019

As at the date of this announcement, the executive directors of the Company are Mr. Siu Tit Lung (Chairman), Mr. Siu Yuk Lung, Mr. Wai Lung Shing, Mr. Ting Chung Ho, Mr. Siu Yuk Tung, Ivan and Mr. Siu Yu Hang, Leo; and the independent non-executive directors of the Company are Dr. Lee Tat Yee, Mr. Lee Joo Hai and Mr. Wong Hak Kun.