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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 current information available to the Board and a preliminary review of the latest unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 (the “**Period**”), it is expected that the Group will record a decrease in consolidated net profit of approximately 60% as compared to the consolidated net profit of approximately HK\$23 million in the corresponding period of 2019. The decrease of profit was primarily attributable to the following factors:

- (a) certain projects with relatively larger contract sums were completed in previous financial year and certain new projects undertaken in the Period are with lower contract sums resulting in reduction of contribution in revenue and net profit; and
- (b) progress of certain projects was affected and delayed by reason of adverse impact of the COVID-19 pandemic and unexpected complexity of construction works which resulted in increase in construction costs and reduction of overall gross profit margin.

The Company is still in the process of finalising the unaudited interim results of the Group for the Period. 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 where necessary, as such, the interim results may be different from the information contained in this announcement. Details of the financial information for the Period will be disclosed in the interim results announcement of the Group which is expected to be published before the end of November 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, 10 November 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.