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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 year ended 31 March 2021 (the “**Year**”), it is expected that the Group will record a consolidated net loss of not less than approximately HK\$40 million as compared to the consolidated net profit of approximately HK\$30.9 million for the year ended 31 March 2020. The change from profit to loss 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 Year are with lower contract sums, in particular, substantial decrease in the number of tenders for alteration and addition works for shopping malls and keener competition of the market, which resulted in reduction of contribution in revenue; 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, in particular, substantial additional subcontracting costs were incurred due to the change of design and construction plan of a project of civil engineering works located at Tsim Sha Tsui in December 2020 in order to catch up with the delay arising from the continuous impact of the COVID-19 pandemic, which resulted in increase in construction costs and a gross loss for the Year.

The Company is still in the process of finalising the unaudited results of the Group for the Year. 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 annual results may be different from the information contained in this announcement. Details of the financial information for the Year will be disclosed in the results announcement of the Group which is expected to be published in about the end of May 2021 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, 13 May 2021

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.