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# POLYFAIR

**Polyfair Holdings Limited**

**寶發控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8532)**

## PROFIT WARNING

This announcement is made by Polyfair Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on preliminary assessment of the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2018, the Group is expected to record a net loss of approximately HK\$0.9 million for the nine months ended 31 December 2018 as compared to a net profit of approximately HK\$7.3 million for the corresponding period in 2017.

The Board considers that the turnaround from profit to loss was mainly due to (i) the decrease in revenue as two sizable projects were substantially completed while substantial portion of revenue from these projects has been recognized prior to the nine months ended 31 December 2018 and two of our current projects were delayed due to the design change of developer and delayed progress of main contractor; (ii) the gross profit margin of the projects for the nine months ended 31 December 2018 were relatively lower than the projects for the nine months ended 31 December 2017 as a result of the increasing competition from other contractors seeking to tender projects at lower price; (iii) additional subcontracting costs incurred when carrying out certain projects; (iv) increase in administrative expenses; and (v) increase in finance costs.

As at the date of this announcement, the Company is still in the process of finalising the unaudited consolidated results of the Group for the nine months ended 31 December 2018, the information contained in this announcement is only a preliminary assessment by the Board based on the latest information currently available to the Company, such information has not been audited or reviewed by the Company’s auditors nor approved by the audit committee of the Company, and may be subject to amendments.

Shareholders and potential investors are advised to read the announcement of the Company in relation to the results of the Group for the nine months ended 31 December 2018 carefully. The Group’s results for the nine months ended 31 December 2018 are expected to be announced on 12 February 2019.

**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  
**Polyfair Holdings Limited**  
**Chow Mo Lam**  
Chairman

Hong Kong, 1 February 2019

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chow Mo Lam, Mr. Yu Lap On Stephen and Mr. Wong Kam Man; and three independent non-executive Directors, namely Dr. Lung Cheuk Wah, Mr. Ng Ka Lok and Mr. Wong Chi Yung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its posting and on the website of the Company at [www.polyfaircurtainwall.com.hk](http://www.polyfaircurtainwall.com.hk).*