

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **Century Group International Holdings Limited**

**世紀集團國際控股有限公司**

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

**(Stock Code: 2113)**

### **PROFIT WARNING**

This announcement is made by Century Group International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 under the Listing Rules) (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited accounts of the Group and information that is currently available, the Group is expected to record a gross loss, and a net loss ranging from approximately HK\$80.0 million to approximately HK\$90.0 million for the year ended 31 March 2019 as compared to a gross profit of approximately HK\$23.4 million and a net profit of approximately HK\$8.7 million for the year ended 31 March 2018. The Board considers that the loss for the year was mainly attributable to the following reasons:

- (a) the decrease in contract revenue for the year ended 31 March 2019 as less sizeable new projects had been awarded due to keen competition in the industry. During the financial year, the Group was awarded four projects with total contract sum of approximately HK\$98.1 million whereas in contrast the Group was awarded one project with contract sum of approximately HK\$305.1 million in the previous financial year;
- (b) during the year, total costs of approximately HK\$27.6 million was recognised in a roadworks, drainage and duct works project in Islands District including but not limited to the additional work procedures, workers, machines and time being required to deal with the order instructed by the main contractor. The Group is negotiating with the customer of the project to seek compensation for additional time and costs, but such compensation could not be determined at the moment;

- (c) during the year, the Group recognised total costs of approximately HK\$16.2 million in a site formation project in Shatin District including but not limited to labour costs, subcontracting fees and overhead costs due to delay in work progress as a result of changing working schedules as requested by the main contractor. The longer project duration has exerted pressure on the profit of it; and
- (d) during the second half of the financial year, the Group has experienced slowdown and/or suspension of certification of variation order and claims from one of our main contractor. Despite the Group's repeated request and/or demands, the Group has been given the understanding that the relevant certification of variation order and claims are still under main contractor's internal circulation and/or in some cases no responses were given. The deteriorated situation has changed overall profitability of the project and the costs recognised of approximately HK\$62.6 million in fulfilling these variation order and claims are thereon charged to consolidated statement of profit or loss during the year ended 31 March 2019.

Although a loss may potentially be recorded by the Group for the year ended 31 March 2019, the Board considers that the Group's overall financial position remains healthy and the Board remains positive on the long-term prospects of the Group.

The Company is still in the process of finalising the Group's financial information for the year ended 31 March 2019. This profit warning announcement is only based on the preliminary assessment by the Board with reference to the information currently available, which has not been audited or confirmed by the Company's auditors and may be subject to changes and adjustments. The actual financial results of the Group for the year ended 31 March 2019 may be varied to the estimation of this announcement. Further details of the Group's financial results and performance for the year ended 31 March 2019 will be disclosed in the 2019 annual results announcement of the Company which is expected to be published on 28 June 2019.

**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  
**Century Group International Holdings Limited**  
**Li Xiangzhong**  
*Chairman*

Hong Kong, 21 June 2019

*As at the date of this announcement, the Board comprises Mr. Li Xiangzhong, Mr. Cao Jun and Mr. Zhang Chengzhou as executive Directors, Mr. Cao Qian as non-executive director and Mr. Cheung Wai Lun Jacky, Mr. Lee Chi Ming and Mr. Tang Chi Wai as independent non-executive directors.*