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HANDS FORM HOLDINGS LIMITED

恆新豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1920)

PROFIT WARNING

This announcement is made by Hands Form Holdings Limited (the “**Company**”, 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 (as defined under the 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 (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and the information currently made available to the Board, the Group expects to record a consolidated net profit within the range of approximately HK\$10.0 million to HK\$12.0 million for the six months ended 30 June 2020 as compared to consolidated net profit of approximately HK\$16.3 million of the corresponding period in 2019. Based on the information currently available, the decrease in net profit would be mainly attributable to the following factors:

- (i) the decrease in revenue due to substantial completion of the projects on hand during the six months ended 30 June 2020; and
- (ii) the decrease in gross profit margin for the Group’s business as a result of an increase in overall construction costs. The delay in site progress due to the outbreak of Novel Coronavirus Disease 2019 (COVID-19) has resulted in an increase in subcontracting costs owing to the prolonged need for maintaining the required site workforce.

The information contained in this announcement is based on the preliminary assessment made by the Board with reference to the information currently available and the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, which have not been audited or reviewed by the Group's auditors or the audit committee of the Board and may be subject to adjustment. Shareholders and potential investors of the Company are advised to refer to further details of the Group's performance during this period to be disclosed in the Group's interim results announcement for the six months ended 30 June 2020, which is expected to be published on or around 28 August 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Hands Form Holdings Limited
Cheung Kwok Fai Adam
Chairman and Executive Director

Hong Kong, 12 August 2020

As at the date of this announcement, the Board comprises Mr. Cheung Kwok Fai Adam, Mr. Ng Sheung Chung and Mr. Ma Kan Sun as executive Directors, Mr. Chong Kan Kin as non-executive Director, and Mr. Pak Shek Kuen, Mr. Lo Chi Hung and Mr. Ho Kwok Lung as independent non-executive Directors.