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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2663)

POSITIVE PROFIT ALERT

This announcement is made by KPa-BM Holdings Limited (the “**Company**”, 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 under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts (the “**Management Accounts**”) of the Group for the year ended 31 March 2020 and the information currently available to the Board, the Group is expected to record an increase of not less than 70% in both its revenue and consolidated net profit after tax for the year ended 31 March 2020 (the “**Year**”) from its ordinary operation before taking into account the one-off gain from disposal of a leasehold land and buildings of HK\$4,106,000 as reference to the company’s announcement made on 26 November 2019 in relation to interim result announcement, as compared to the year ended 31 March 2019. The Board considers that the expected increase was primarily attributable to favourable progress of certain key projects during the Year.

On the other hand, the Group is still assessing whether the contract assets, trade and other receivables exhibit any indications of impairment loss. The loss allowance, if any, will reduce the profit for the Year. However, the Board wishes to emphasize that the loss allowance are non-cash in nature and will not affect the Group’s cash position.

The Company is in the process of preparing the annual results of the Group for the year ended 31 March 2020. The information contained in this announcement is only based on the information currently available to the Board and the preliminary review by the Board on the unaudited management accounts of the Group for the year ended 31 March 2020, which have not been reviewed by the independent auditors and/or the audit committee of the Company. The actual annual results of the Group for the year ended 31 March 2020 may differ from what is

disclosed in this announcement. The Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the annual results of the Group for the year ended 31 March 2020, which is expected to be published in June 2020 in accordance with the requirements of the Listing Rules.

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
KPa-BM Holdings Limited
Yip Pak Hung
Chairman and Executive Director

Hong Kong, 20 May 2020

As at the date of this announcement, the executive directors of the Company are Mr. Yip Pak Hung (Chairman of the Board) and Mr. Wai Yat Kin and the independent non-executive Directors are Ms. Lai Pik Chi, Peggy, Mr. Lam Chi Wai, Peter and Dr. Yeung Kit Ming.

** For identification purpose only*