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## **Fu Shek Financial Holdings Limited**

**富石金融控股有限公司**

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

**(Stock Code: 2263)**

### **PROFIT WARNING**

This announcement is made by Fu Shek Financial 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 (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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the information currently available to the Company and the preliminary review by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 March 2020, the Group is expected to record a decrease in net profit for the year ended 31 March 2020 of not less than 60% as compared to that for the year ended 31 March 2019. By excluding the listing expenses and other expenses related to earlier attempt to apply for a listing, the Group is also expected to record a decrease in an adjusted net profit for the year ended 31 March 2020 of not less than 16% as compared to that for the year ended 31 March 2019. The Board considered that the decrease in an adjusted net profit (excluding listing expenses and other expenses related to earlier attempt to apply for a listing) was mainly attributable to (i) the outbreak of the coronavirus disease (COVID-19) (the “**Pandemic**”) since early 2020, which has intensified and spread worldwide and the unexpected sweeping measures imposed by the Hong Kong government to stem the Pandemic had disrupted the normal business activities in Hong Kong; (ii) the unexpected severe impact of the Pandemic on Hong Kong’s capital market and economy, seeing its worst performance since the financial crisis in 2008; (iii) the decrease in revenue of the Group’s placing and underwriting services due to delay and loss of certain unsecured placing and underwriting projects in light of the uncertain economic outlook and volatility in the stock market; and (iv) the increase in operating expenses as compared to the year ended 31 March 2019 due to the one-off charity donation and the increase in audit fee.

On 11 March 2020, the World Health Organization officially announced the coronavirus disease (COVID-2019) outbreak as a pandemic, which was not foreseen by the management of the Group and beyond the Group's control. The Pandemic has caused a negative impact on the financial conditions of businesses and market sentiment. In general, the Pandemic is expected to adversely affect the business performance of most companies including the Group but the actual impact is yet to be quantified. Based on the Company's current observation and estimation, the downtrend in the capital market is expected to continue in the second half of 2020 due to the slowdown of economic activities and the change of business practices to cope with the Pandemic. The Group is taking all practicable measures to cope with the challenges ahead, while striving to protect the health and safety of our staff. The Company will continue to monitor the development of the Pandemic and its impact on the Group's operations, and make further announcement(s) as and when appropriate.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 March 2020. The information contained in this announcement is only a preliminary assessment based on the unaudited consolidated management accounts of the Group and the information currently available for the time being, which have not been audited nor reviewed by the Company's auditors and have not been confirmed by the audit committee of the Company and may be subject to adjustments. The financial results of the Group for the year ended 31 March 2020 will be set out in the annual results announcement of the Company to be published by the end of June 2020.

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

By order of the Board  
**Fu Shek Financial Holdings Limited**  
**Sy Man Chiu**  
*Executive Director*

Hong Kong, 16 June 2020

*As at the date of this announcement, the Board comprises Mr. Keng Stephen Lee as chairman and non-executive Director, Mr. Sy Man Chiu and Mr. Ng Sik Chiu as executive Directors, and Dr. Yu Sun Say, Mr. Lai Man Sing and Dr. Ho Chung Tai Raymond as independent non-executive Directors.*