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YUE KAN HOLDINGS LIMITED

裕勤控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2110)

PROFIT WARNING

This announcement is made by Yue Kan Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 (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 assessment by the Board of the latest available unaudited consolidated management accounts of the Group for the six months ended 30 November 2022 and the latest information available to the Board, the Group is expected to record a loss of approximately HK\$25.0 million to HK\$32.0 million for the six months ended 30 November 2022 as compared to the net profit of approximately HK\$10.1 million for the corresponding period in 2021.

The Board considers that the turnaround in results for the six months ended 30 November 2022 was primarily attributable to, among other factors, (i) decrease in number of sizeable projects undertaken by the Group and the lowered tender price as a result of keen competition in the Hong Kong construction market in general; (ii) increase in costs of labour, rental cost of vessels, cost of construction materials and subcontracting fee; (iii) several vessels that were modified specifically for one port work project in Shatin were idled as the delivery of materials for fabrication purposes was severely disrupted and additional costs thereon incurred arising from additional time and works being required to deal with the extended working schedule; (iv) one marine construction project in the Lamma Island has encountered a series of disruptive events resulting slippage in the progress as the main contractor failed to hand over the working area on time and provide sufficient working area; and (v) unanticipated issues for two other civil engineering projects such as complicated soil strata for

which the Group had to reconsider the design, double handling of excavated material, acquisition of more materials, relocation of temporary scaffolding and working platform and instruction to subcontractors to rework.

The Company is still in the process of finalising the Group's consolidated interim results for the six months ended 30 November 2022. The information contained in this announcement is only a preliminary assessment by the Board based on the latest unaudited consolidated management accounts of the Group for the six months ended 30 November 2022, which have not been audited or reviewed by the auditor or the audit committee of the Company and may be subject to adjustments. Shareholders and potential investors of the Company are advised to read carefully the Company's interim results announcement for the six months ended 30 November 2022, which is expected to be published by the end of January 2023.

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
Yue Kan Holdings Limited
Heung Che Kan
Chairman and Executive Director

Hong Kong, 12 January 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Heung Che Kan (Chairman), Mr. Heung Yue Wing, Mr. Ouyang Jianwen, Mr. Luo Hao and Mr. Wong Yuk; and the independent non-executive Directors of the Company are Mr. Chiu Tai Shing, Mr. Wan San Fai Vincent and Mr. Wan Wai Wing.