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IN CONSTRUCTION HOLDINGS LIMITED
現恆建築控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1500)

PROFIT WARNING

This announcement is made by In Construction Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on preliminary assessment by the Board of the unaudited management accounts of the Group for the year ended 31 March 2018, the Group is expected to record a notable decrease in its unaudited consolidated net profit for the year, as compared to that of last year.

As disclosed in the interim report of the Company for the six months ended 30 September 2017, the prolonged delay on granting funds for new public works has driven more public sector contractors to tender for work in the private sector. Such fierce competition in the market had led to (i) a decrease in contract revenue being recognized by the Group during the year as compared with last year, and (ii) a relatively lower gross profit margin for a few foundation projects when compared with the overall gross profit margin for projects of last year. However, the Board considers that the Group’s financial position remains strong with expected zero net gearing as at 31 March 2018 and the Board still expects long-term optimistic growth in the construction industry.

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the latest available unaudited management accounts of the Group, which have not been audited or reviewed by the Company's auditor or the audit committee. The Company is still in the process of finalising its consolidated annual results for the year ended 31 March 2018 which is expected to be published by the end of June 2018.

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
In Construction Holdings Limited
Lau Pak Man
Chairman

Hong Kong, 18 May 2018

As at the date of this announcement, the Board comprises Mr. Lau Pak Man, Mr. Cheng Wing Cheong and Ms. Kwan Kit Sum Kit as executive directors; Mr. Leung Chi Kin, Mr. Lam Chi Hung Louis and Mr. Yau Chi Man Norman (also known as Iao Chi Meng) as independent non-executive directors.