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**Anchorstone Holdings Limited**

**基石控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 1592)**

## **PROFIT WARNING**

This announcement is made by Anchorstone 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 (Cap. 571).

The board (“**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the latest unaudited financial information for the year ended 31 December 2019 currently available to the Board, the Group is expected to record a significant decrease in the net profit attributable to Shareholders by not more than 90% as compared with the net profit for the corresponding period in 2018 (the “**Profit Decrease**”).

The Profit Decrease was mainly due to the following reasons:

- (i) the decrease in gross profit margin due to the Group having taken up a significant supply and installation project during the year with a relatively low profit margin when compared with the existing projects, and the emergence of a significant number of variation orders in some of the stone supply and installation services projects undertaken by the Group;
- (ii) the quality inspection exercise for two stone sales projects not being able to be completed within 2019 and therefore the relevant revenue recognition has been postponed to 2020;
- (iii) the increase in legal and professional fee and non-audit services charges, which were mainly related a potential major transaction regarding an acquisition of the entire interest in a target company; and
- (iv) the increase in share based payment expenses for the share options granted during the year.

As the Company is in the process of finalising the annual results of the Group for the year ended 31 December 2019, the information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019, which is subject to the external audit and review by the audit committee of the Company. The actual audited consolidated annual results of the Group may be different from the disclosures herein. Further details of the Group's audited financial information for the year ended 31 December 2019 will be disclosed in the annual results announcement of the Company, which is expected to be published by 27 March 2020.

**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  
**Anchorstone Holdings Limited**  
**Fung Wai Hang**  
*Executive Director and Company Secretary*

Hong Kong, 13 March 2020

*As at the date of this announcement, the executive Directors are Mr. Lui Yue Yun Gary, Ms. Lui Po Kwan Joyce, Mr. Lui Edwin Wing Yiu and Mr. Fung Wai Hang, and the independent non-executive Directors are Mr. Ko Tsz Kin, Mr. Choi Hok Ya and Mr. Ng Yau Wah Daniel.*