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B & D Strategic Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1780)

PROFIT WARNING

This announcement is made by B & D Strategic Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively referred to as 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the current information available to the Board and a preliminary review of the latest unaudited consolidated management accounts of the Group for the six months ended 30 September 2023 (the “**Period**”), it is expected that the Group will record a consolidated net loss of not less than approximately HK\$24.0 million for the Period as compared to the consolidated net profit of approximately HK\$8.8 million for the six months ended 30 September 2022. The change from profit to loss was mainly because of an increase in direct costs of approximately 50% and a decrease in profit margin for both the civil engineering works segment and the alteration and addition works segment for the Period. Such increase in direct costs was mainly attributable to (a) substantial additional subcontracting costs were incurred to (i) catch up with the progress of a project in the alteration and addition works segment as a result of continuous changes in the design and construction plans of such project; and (ii) handle the unexpected complexity of a project in the civil engineering works segment; and (b) some construction works for a project in the civil engineering works segment were required to rework arising from the material change in design and construction plans and a provision for onerous contract was made to that project in light of additional subcontracting costs and overheads to be incurred as a result of a delay in project completion.

The Company is still in the process of finalising the interim results of the Group for the Period. The information contained in this announcement is solely based on the preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board, which have not been audited or reviewed by the Company's auditor and the audit committee, and are subject to adjustments where necessary, as such, the interim results may be different from the information contained in this announcement. Details of the financial information for the Period will be disclosed in the interim results announcement of the Group which is expected to be published in about end of November 2023 in accordance with the Listing Rules.

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
B & D Strategic Holdings Limited
Tang Wing Kwok
Chairman and Executive Director

Hong Kong, 17 November 2023

As at the date of this announcement, the Board comprises Mr. Tang Wing Kwok, Mr. Lo Wing Hang and Mr. Wang Shuai as executive Directors; and Mr. Yeung Tze Long, Mr. Chan Pui Hang Ian and Ms. Li Yuen Shan as independent non-executive Directors.