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SMART CITY DEVELOPMENT HOLDINGS LIMITED

智城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8268)

INSIDE INFORMATION

PROFIT WARNING

This announcement is made by Smart City Development Holdings Limited (the “**Company**”), and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM 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 preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2023, the Group is expected to record a loss for the year of not more than HK\$11.0 million for the year ended 31 March 2023, as compared with a profit for the year of approximately HK\$15.0 million for the corresponding year in 2022. Based on the information currently available to the Board, the loss was mainly due to (i) the operating loss in the construction segment of approximately HK\$1.1 million recorded for the year ended 31 March 2023 (year ended 31 March 2022: profit of approximately HK\$16.4 million) mainly due to the decrease in profit margin from the construction segment; (ii) the realised loss recorded in the securities investment segment of approximately HK\$0.4 million (year ended 31 March 2022: gain of approximately HK\$3.8 million); (iii) the operating loss in the property investment segment of approximately HK\$2.9 million (year ended 31 March 2022: loss of approximately HK\$2.0 million) as a result of the increase in operating costs; and (iv) the gain on disposal of subsidiaries of approximately HK\$3.2 million recorded in the last reporting period.

The information in this announcement is only based on a preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 March 2023 prepared by the management of the Company, and such information has not been reviewed or audited by the Company's independent auditor. Shareholders and potential investors are advised to refer to the details of the Group's financial results for the year ended 31 March 2023, which are expected to be released by way of an announcement in late June 2023.

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

By Order of the Board
Smart City Development Holdings Limited
Hung Kenneth
Executive Director

Hong Kong, 20 June 2023

As at the date of this announcement, the Board comprises Mr. Hung Kenneth and Ms. Lau Po Yee as executive Directors and Mr. Wong Yuk Lun Alan, Mr. Lam Wai Hung and Ms. Au Shui Ming Anna as independent non-executive Directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of its publication and on the Company's website at www.smartcity-d.com.