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沪港联合

HONG KONG SHANGHAI ALLIANCE HOLDINGS LIMITED

滬港聯合控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

POSITIVE PROFIT ALERT

This announcement is made by Hong Kong Shanghai Alliance Holdings Limited (the “**Company**”, 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 (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board and the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31st March 2021 (the “**Year**”), the Group is expected to achieve a turnaround from a net loss attributable to owners of the Company of approximately HK\$90.3 million, to a net profit attributable to owners of the Company of no more than HK\$3.0 million for the Year.

The Board considers that the expected turnaround from a loss to profit attributable to owners of the Company for the Year is mainly attributable to, among other things:

- (i) improvement in the overall performance of the Construction Materials Business, contributed by the continuous rebound in order volume of the reinforcing bar processing and assembly plant in Hong Kong, as well as the expanding profit margin for both construction products and surface critical coil distribution in Hong Kong and China;
- (ii) cost control measures implemented by the Group which resulted in a decrease in overall operating expenses;
- (iii) a one-off impairment loss of approximately HK\$20.0 million from the property, plant and equipment of the Group for the year ended 31st March 2020; and
- (iv) the receipt of government subsidies under the Anti-Epidemic Fund set up by the Government of the Hong Kong Special Administrative Region.

The information contained in this announcement has not been reviewed or audited by the Company's auditors, and is only based on the Board's preliminary review of the unaudited consolidated management accounts of the Group for the Year. The Group is still in the course of finalising its accounts, which are subject to further review and assessment by the Board and the Company's auditors. Therefore, the Group's results for the Year may be different from the information as set out in this announcement. The final results of the Group for the Year will be published by the Company within the timeframe stipulated under the Listing Rules.

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

On behalf of the Board
Hong Kong Shanghai Alliance Holdings Limited
Yao Cho Fai Andrew
Chairman

Hong Kong, 4th June 2021

As at the date of this announcement, the Board comprises Mr. Yao Cho Fai Andrew and Mr. Lau Chi Chiu (being the executive directors); Mr. Tam King Ching Kenny, Mr. Xu Lin Bao, Mr. Yeung Wing Sun Mike and Mr. Li Yinquan (being the independent non-executive directors).