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Shun Wo Group Holdings Limited

汛和集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1591)

POSITIVE PROFIT ALERT

This announcement is made by Shun Wo Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2023, the Group expects to record a net profit ranging from approximately HK\$16 million to HK\$20 million, as compared to a net loss of approximately HK\$4.5 million for the year ended 31 March 2022. The expected turnaround from loss to profit was primarily attributable to (i) the increase of revenue from the Group’s core business in foundation industry; (ii) the receipt of government grants through “Employment Support Scheme”; and (iii) the net reversal of impairment losses in respect of financial assets and contract assets due to the recovery of certain long outstanding trade receivables that had been impaired in the previous financial years.

The Company is still in the process of finalising its consolidated financial results of the Group for the year ended 31 March 2023. Shareholders and potential investors should note that the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts and information currently available to the Board, which are subject to further adjustments, have not been audited or reviewed by the auditor of the Company, nor have been confirmed by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the year ended 31 March 2023 when it is published.

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

By order of the Board
Shun Wo Group Holdings Limited
Wong Yan Hung
Chairman

Hong Kong, 20 June 2023

As at the date of this announcement, the executive directors of the Company are Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong and Mr. Lai Kwok Fai and the independent non-executive directors of the Company are Mr. Law Ka Ho, Mr. Leung Wai Lim and Mr. Tam Wai Tak Victor.