

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

PROFIT WARNING

This announcement is made by Shun Wo Group 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 (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group expects to record a net loss, ranging from approximately HK\$15.0 million to approximately HK\$20.0 million for the year ending 31 March 2019, as compared to the consolidated net profit of approximately HK\$5.6 million for the year ended 31 March 2018. The Board considers that such change was mainly attributable to the decrease in gross profit margin as a result of:

- (a) the Group has adopted a more competitive tender pricing policy in order to secure new contracts; and
- (b) additional construction costs incurred in dealing with some unexpected difficult geological conditions in certain construction sites.

The Company is still in the process of finalising the consolidated annual results of the Group for the year ending 31 March 2019. 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 of the Group and information currently available to the Board, which are subject to further adjustments, have not been audited by the auditor of the Company, nor have been confirmed by the audit committee of the Company. The actual results of the Group for the year ending 31 March 2019 may be different from what is disclosed herein. Further details of the financial information of the Group for the year ending 31 March 2019 will be published in due course pursuant to the requirements of the Listing Rules.

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, 26 February 2019

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