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SHENZHOU INTERNATIONAL GROUP HOLDINGS LIMITED

(申洲國際集團控股有限公司*)

(incorporated in the Cayman Islands with limited liability)

(Stock code: 2313)

PROFIT WARNING

This announcement is made by Shenzhou International 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 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 preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 (the “**Relevant Period**”) and other information currently available to the Board, the Group is expected to record a decrease in net profit after tax ranging from approximately RMB3.1 billion to RMB3.5 billion for the Relevant Period, representing a decrease of approximately 31% to 39% as compared to the net profit after tax of approximately RMB5.08 billion for the year ended 31 December 2020.

The decrease in profit was primarily attributable to the following aspects:

- (1) Temporary suspension of operations of the Group’s production bases in Cambodia for a period of time during the first half of 2021 in order to cooperate with the Cambodian government’s preventive measures against the 2019 novel coronavirus (COVID-19) epidemic (the “**Epidemic**”);
- (2) Temporary suspension of operations of the Group’s production base in Tây Ninh Province, Vietnam and the Group’s production base in Ho Chi Minh City, Vietnam for a period of time during the second half of 2021 due to the social distancing measures imposed by the Vietnamese government to contain the Epidemic;
- (3) Appreciation of the exchange rate of RMB to USD causing negative impact to the Group as the Group’s sales were mainly settled in USD; and

- (4) During the second half of 2021, various production costs increased significantly, the delivery of sales pricing lagged behind, and in particular the selling price of orders delayed due to the impact of the Epidemic cannot be adjusted causing a negative impact on the performance in the second half of 2021.

As at the date of this announcement, the Group is still in the process of finalising the annual results for the Relevant Period. The information contained in this announcement is solely based on the information currently available to the Board and the preliminary review by the Board of the unaudited consolidated management accounts of the Group for the Relevant Period and is not based on any figures or information reviewed by the Company's auditors. The Company's annual results announcement for the Relevant Period is expected to be published on 30 March 2022.

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
Shenzhou International Group Holdings Limited
Ma Jianrong
Chairman

Ningbo, PRC, 2 March 2022

As at the date of this announcement, the five executive directors of the Company are Mr. Ma Jianrong, Mr. Huang Guanlin, Mr. Ma Renhe, Mr. Wang Cunbo and Ms. Chen Zhifen; and the four independent non-executive directors are Mr. Jiang Xianpin, Mr. Zhang Bingsheng, Ms. Liu Chunhong and Mr. Liu Xinggao.

* *for identification purposes only*