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Sunkwan Properties Group Limited

上坤地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6900)

PROFIT WARNING

This announcement is made by Sunkwan Properties Group Limited (the “**Company**”, together with its subsidiaries, collectively 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 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 (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2022 (the “**Period**”), the Group is expected to record net loss attributable to owners of the parent of not less than RMB500 million for the Period as compared with profit attributable to owners of the parent of approximately RMB54 million for the corresponding period in 2021, primarily due to (i) a decrease in revenue recognized for properties sold for the Period, which resulted from the resurgence of novel coronavirus epidemic and the implementation of relevant prevention policy in China during the Period; (ii) an increase in provision for impairment of inventories due to the lower average selling price of property projects resulted from the resurgence of novel coronavirus epidemic and unfavorable macro market environment in China in the first half of 2022; and (iii) the exchange losses arising from debts denominated in the U.S. dollar as a result of the change of exchange rate between U.S. dollar and Renminbi.

The Company is in the process of reviewing and finalizing the interim results of the Group for the Period. The information contained in this announcement is only based on the preliminary assessment on the management accounts of the Group and the information currently available to the Board which have not been reviewed by the Company’s auditors. Shareholders and potential investors are advised to read carefully the Company’s interim results announcement for the Period, which will be published within the timeline as stipulated under the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Sunkwan Properties Group Limited
Zhu Jing
Chairwoman

Hong Kong, 17 August 2022

As of the date of this announcement, the Board comprises Ms. Zhu Jing, Ms. Sheng Jianjing and Mr. Yang Zhandong as executive directors, Mr. Lin Jinfeng and Ms. Lin Zhaohong as non-executive directors and Mr. Guo Shaomu, Mr. Au Yeung Po Fung and Mr. Zhou Zheren as independent non-executive directors.