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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(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 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 six months ended 30 September 2022 (the “**Period**”), the Group expects to record a net profit ranging from approximately HK\$15.0 million to HK\$17.0 million for the Period, as compared to a net profit of approximately HK\$1.3 million to the corresponding period in 2021. The increase in net profit was primarily attributable to the following reasons:

- (i) the government grants of approximately HK\$1.2 million were received through “Employment Support Scheme”; and
- (ii) the net reversal of impairment losses of approximately HK\$13.5 million 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 the unaudited interim results of the Group for the Period. 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. The actual results of the Group for the Period may be different from what is disclosed herein. Further details of the financial information of the Group for the Period will be announced in late November 2022 in accordance with 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, 15 November 2022

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.