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## **SHENGUAN HOLDINGS (GROUP) LIMITED**

**神冠控股(集團)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00829)**

### **PROFIT WARNING**

This announcement is made by Shenguan Holdings (Group) 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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Company’s preliminary review of the latest unaudited consolidated management accounts of the Group and the information currently available to the Company, the Group is expected to record a profit attributable to the owners of the Company within the range of approximately RMB10 million to approximately RMB20 million for the year ended 31 December 2022 (the “**Year**”), representing a decrease of approximately 83.7% to 91.8% as compared to that for the year ended 31 December 2021.

The Board considers that the decrease in profit for the Year was primarily attributable to:

- (i) the escalation of the COVID-19 pandemic and various COVID-19 controlling policies and measures adopted by the government of the PRC mainland and other countries during the Year, which caused disruptions to business activities and logistics of many enterprises including the Group and our business partners, which in turn led to decrease in demand of our products and increase in our transportation and procurement expenses;
- (ii) the increase in costs of sales due to increase of costs of raw materials and utilities charges during the Year, which was partly offset by increase in average selling prices of our products;
- (iii) an impairment to the Group’s investment in an associate due to the adverse changes in economic and market conditions; and

(iv) the increase in expenses incurred for the development and promotion of our new products.

The information contained in this announcement is based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the Year and is not based on any figure or information which has been audited or reviewed by the Company's auditors and the audit committee of the Company and is subject to possible adjustments upon further review. The Company is in the process of finalising the annual results of the Group for the Year. Further information and other details of the Group's financial performance for the Year will be announced in the forthcoming annual results announcement which will be published in March 2023.

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

By order of the Board  
**Shenguan Holdings (Group) Limited**  
**Zhou Yaxian**  
*Chairman*

Hong Kong, 28 February 2023

*As at the date of this announcement, the executive Directors are Ms. Zhou Yaxian, Mr. Shi Guicheng, Mr. Ru Xiquan and Mr. Mo Yunxi; the non-executive Director is Dato' Sri Low Jee Keong; and the independent non-executive Directors are Mr. Tsui Yung Kwok, Mr. Meng Qinguo and Mr. Yang Xiaohu.*