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SH GROUP (HOLDINGS) LIMITED

順興集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1637)

PROFIT WARNING

This announcement is made by SH Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions 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 preliminary assessment on the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a net loss of not less than HK\$10.0 million for the year ended 31 March 2023 as compared with the consolidated net profit of approximately HK\$11.7 million for the year ended 31 March 2022.

The Group’s expected net loss for the year ended 31 March 2023 was mainly attributable to:

- i) the adoption of a more competitive pricing strategy when securing the existing projects on hand due to the intensified market competition in recent years;
- ii) the increase in costs of subcontractors, transportation, equipment and materials after successful tender; and
- iii) the decrease in the value of financial assets at fair value through profit or loss, which is non-cash in nature.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available, including the unaudited consolidated management accounts of the Group, and is not based on any figure or information which has been audited or reviewed by the Company's auditors or reviewed by the audit committee of the Company, and may be subject to adjustments and changes. As the Company is still in the process of finalising its financial results for the year ended 31 March 2023 (the "**Annual Results**"), the actual results may be different from the information set out in this announcement. Further details of the Annual Results will be disclosed in the Company's Annual Results announcement, which is expected to be published in late June 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
SH Group (Holdings) Limited
Yu Cheung Choy
Chairman

Hong Kong, 9 June 2023

As at the date of this announcement, Mr. Yu Cheung Choy, Mr. Lau Man Ching and Mr. Yu Ho Chi are the executive Directors; and Mr. Lam Yim Nam, Mr. Lee Wing Kee and Dr. Law Man Wah are the independent non-executive Directors.