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SHEUNG YUE GROUP HOLDINGS LIMITED

上諭集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1633)

PROFIT WARNING

This announcement is made by Sheung Yue Group Holdings Limited (the “**Company**” and 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 of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2021 (the “**Year**”) and the financial information currently available to the Board, the Group is expected to record a net loss of not less than approximately HK\$14.4 million for the Year as compared with a net profit of approximately HK\$1.3 million for the year ended 31 March 2020. Such expected net loss is mainly due to:

1. the persistent outbreak of novel coronavirus epidemic (“**COVID-19**”) throughout 2020 which intensified the economic downturn of Hong Kong. As a result, the number of new projects initiated by the property developers decreased and thus lead to the decrease in number of new construction projects awarded to the Group during the Year. The decrease of new projects available also intensified the price competition among contractors which lead to a decrease of average gross profit margin of the Group’s projects; and
2. the persistent outbreak of COVID-19 also caused delay in the work progress of the Group’s certain projects on hand which adversely affected the revenue recognition of such projects for the Year.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the Year. This profit warning announcement is only based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group which are subject to finalisation and other potential adjustments, if any, and have not been reviewed or audited by the Company’s auditor nor have they been reviewed by the audit committee of the Company. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company, which is expected to be published on 30 June 2021.

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

By order of the Board
Sheung Yue Group Holdings Limited
Chan Lap Wai Gary
Chairman

Hong Kong, 16 June 2021

As at the date of this announcement, the Board comprises Mr. Chan Lap Wai Gary (Chairman), Mr. Chan Lap Chuen Edmond, Ms. Chan Chin Ying Amanda as executive Directors, and Mr. Li Hon Hung, BBS, MH, JP, Mr. Cheng Chi Hung and Mr. Wong Yip Kong as independent non-executive Directors.