

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



均安控股

Kwan On Holdings

KWAN ON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1559)

PROFIT WARNING

This announcement is made by Kwan On 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 (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 “**Shareholder(s)**”) and potential investors that, based on a preliminary assessment of the latest available unaudited consolidated management accounts of the Group, the Group is expected to record a net loss of not less than approximately HK\$68.8 million for the year ended 31 March 2022 (the “**Year**”) as compared with a net loss of approximately HK\$24.6 million for the year ended 31 March 2021 (the “**Previous Year**”). The Board considers that the expected net loss is mainly attributable to:

- 1) Under constant restrictions and health regulations caused by COVID-19, the progress of the Group’s civil engineering projects has been seriously affected. Slowdown and even delay in completion of certain projects were unavoidable. These delay and time overrun in projects have led to an increase in fixed labour cost, subcontracting fee and overhead expense, which have seriously affected our profitability. The Group will endeavour to negotiate with the representative of our employer to make claims on our overrun cost due to the unavoidable delay in projects. However, we were not able to record this income from possible claims under current accounting standard until it is more certain.

For the year ended 31 March 2022, the Hong Kong construction related segment of the Group is expected to recorded a gross loss of approximately HK\$40.6 million compared with gross profit of approximately HK\$12.1 million from the Previous Year; and

- 2) in response to the economy uncertainty caused by the COVID-19 pandemic, the Group has adopted a more conservative approach in submitting tender and has not entered into any sizable construction project in oversea markets.

The Company is still in the process of finalising the unaudited annual 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 for the Year, which are subject to finalisation and other potential adjustments, if any, and have not been reviewed by the Company's auditor nor have they been reviewed by the audit committee of the Company. Therefore, the actual annual results of the Group for the Year may differ from the information contained in this announcement.

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 28 June 2022.

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

By Order of the Board
Kwan On Holdings Limited
Chen Zhenghua
Chairman

Hong Kong, 13 June 2022

As at the date of this announcement, the Executive Directors are Mr. Chen Zhenghua, Mr. Zhang Fangbing, and Mr. Cao Lei; and the Independent Non-Executive Directors are Professor Lam Sing Kwong, Simon, Mr. Lum Pak Sum and Mr. Gong Zhenzhi