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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\$37.2 million for the six months ended 30 September 2021 (the “**Period**”) as compared with a net profit of approximately HK\$3.6 million for the six months ended 30 September 2020 (the “**Previous Period**”). The Board considers that the expected net loss is mainly attributable to:

- 1) the prolonged adverse impact on the economy of Hong Kong brought by the constant spread of COVID-19 worldwide, which has resulted in the slowdown/delay in certain civil engineering projects of the Group while the fixed direct cost for our workforce in project teams and the increasing material cost continued piling pressure on the profitability of our projects. The Hong Kong construction related segment of the Group recorded a gross loss of approximately HK\$24 million during the Period, compared with gross profit of HK\$19.5 million from the Previous Period; 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 overseas markets.

The Company is still in the process of finalising the unaudited interim results of the Group for the Period. This profit warning announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the Period, 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 interim results of the Group for the Period may differ from the information contained in this announcement. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company, which is expected to be published on 30 November 2021.

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, 8 November 2021

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