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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)**

### **POSITIVE PROFIT ALERT**

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 preliminary assessment by the Company on the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**Year**”) and the information currently available to the Company, the Group is expected to record a profit attributable to owners of the Company ranging from approximately RMB30 million to approximately RMB35 million for the Year, as compared to a profit attributable to owners of the Company of approximately RMB23.6 million for the year ended 31 December 2022.

The Board is of the view that the Group conducted the large-scale product trial production and equipment transformations due to new products research and development, as well as expansion of production capacity in the first half of 2023, and the production lines were required to undergo trial production to test their quality and effectiveness, and raw materials, auxiliary materials and energy consumed for the trial production were higher than those under normal production, which in turn increased the average unit cost of production. These less favourable factors resulted in a decline in the Group’s profit for the first half of 2023 as compared to that of the first half of 2022. However, with the gradual completion of the new products research and development and expansion of production capacity in the second half of 2023, the Group’s technology became more mature, which enabled it to expand the proportion of medium and large-sized diameters products and gain access to the market for

high-end products, thus progressively meeting the needs of the sausages industry in adjusting its product structure. In addition, while expanding the production capacity of sausage casings, the Company implemented the standardisation of equipment reengineering, which laid a better foundation for enhancing production efficiency and reducing production costs and equipment maintenance costs. The results for the second half of 2023 made significant progress over the first half of 2023.

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 the information currently available to the Company, 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 2024.

**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, 11 March 2024

*As at the date of this announcement, the executive Directors are Ms. Zhou Yaxian, Mr. Ru Xiquan, Mr. Mo Yunxi, Mr. Sha Junqi and Mr. Li Chenglin; 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. Zhou Xiaoxiong.*