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SAM WOO CONSTRUCTION GROUP LIMITED

三和建築集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code : 3822)

POSITIVE PROFIT ALERT

This announcement is made by Sam Woo Construction 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 pursuant to 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 (the “**Shareholders**”) of the Company and potential investors that, based on the information currently available, the Group expects to record a profit of not less than HK\$70 million (before any impairment on plant and equipment) for the year ended 31 March 2020 (the “**Year**”) as compared to a loss of approximately HK\$50 million for the last year. Such expected profit arose mainly because (a) revenue derived from construction contracts increased significantly to about HK\$900 million for the Year; and (b) there are no such impairment losses of approximately HK\$25 million on retention receivables as recorded in the last year.

As disclosed in the last published interim report of the Group for the first half of the Year, there were two new major projects commenced during the Year, i.e. Airport Logistic Centre project and Tseung Kwun O Cross Bay Link project. At the end of the Year, these two projects were completed up to 90% or more.

On the other hand, the Group is still assessing whether plant and equipment exhibit any indications of impairment. The impairment losses, if any, will reduce the profit for the Year. However, the Board wishes to emphasize that the impairment losses are non-cash in nature and will not affect the Group’s cash position.

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the latest available unaudited management accounts of the Group for the Year, which have not been reviewed or audited by the Company’s audit committee or auditors and are subject to adjustments. The Group is in the process of preparation for the final results for the Year which is expected to be published by the end of June 2020.

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

By order of the Board
Sam Woo Construction Group Limited
Lau Chun Ming
Chairman

Hong Kong, 13 May 2020

As at the date of this announcement, the executive directors of the Company are Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So; the independent non-executive directors of the Company are Professor Wong Sue Cheun, Roderick, Mr. Chu Tak Sum and Mr. Ip Tin Chee, Arnold.