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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)

PROFIT WARNING

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 to the Board, the Group expects a substantial drop in profits for the year ended 31 March 2018 (the “**Year**”) as compared to that of the last year, mainly due to the decrease in contract revenue during the Year as compared to that of the last year. As disclosed in the last published interim report of the Group for the first half of the Year, the Group mainly relied on the Hospital Expansion project to contribute to the Group’s revenue and profit. The situation remained largely the same in the second half of the Year.

The directors of the Company are of the view that, with the expected zero net gearing as at 31 March 2018, the Group is in a healthy financial position, which will enable it to face the current market environment. Besides, the Group has been recently awarded a new construction contract which is expected to commence in the next few months. The contract sum is expected to be in the region of HK\$170 million, subject to re-measurement of the quantities based on the actual workdone.

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, which have not been audited or reviewed by the Company’s audit committee or auditors. The Company is in the process of preparation for the final results of the Group for the Year which is expected to be published by the end of June 2018.

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, 2 May 2018

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.