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Shunten International (Holdings) Limited

順騰國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 932)

PROFIT WARNING

This announcement is made by Shunten International (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 March 2024 (the “**Relevant Year**”), the Group is expected to record revenue ranging from approximately HK\$232.0 million to approximately HK\$238.0 million for the Relevant Year as compared to revenue of approximately HK\$216.1 million for the year ended 31 March 2023. However, the Group is expected to record a consolidated results attributable to owners of the Company between a consolidated loss attributable to owners of the Company of approximately HK\$2.0 million and a consolidated profit attributable to owners of the Company of approximately HK\$2.0 million for the Relevant Year, as compared to the consolidated profit attributable to owners of the Company of approximately HK\$41.0 million for the year ended 31 March 2023. The

Board considers that such expected decrease in the consolidated results attributable to owners of the Company was primarily attributable to the net effect of following:

- (i) increase in the revenue and gross profit due to the continuing recovery on Hong Kong economy and growing customer demands for our products;
- (ii) decrease in fair value of the investment properties of approximately HK\$15.0 million during the Relevant Year as compared to the increase in fair value of an investment property of approximately HK\$11.9 million for the year ended 31 March 2023;
- (iii) increase in rent from special designated counters located at the stores of a renowned retail chain distributor which is in line with the growth in revenue from the special designated counters as the rent calculation is related to the gross sale proceeds from special designated counters;
- (iv) increase in commission expenses to promoters during the Relevant Year as a result of the Group's progressive commission policy;
- (v) absence of one-off subsidies under Employment Support Scheme of the Hong Kong Government during the Relevant Year as compared to one-off subsidies of approximately HK\$3.8 million recorded during the year ended 31 March 2023; and
- (vi) increase in finance costs due to the increase in new bank borrowings and amount due to a shareholder during the Relevant Year in relation to the acquisition of a property holding company completed on 13 March 2023 which holds an investment property located in Hong Kong.

The Group continues to maintain sustainable and healthy business and operating conditions with sufficient liquidity. The Group stays focused on taking effective measures in expanding business channels, enhancing brand images, optimising cost structure and strengthening the Company's competitive advantages. Leveraging its advantages, the Company strives for improving business performance in a long term manner.

As at the date of this announcement, the audited consolidated results of the Group for the Relevant Year have not yet been finalised. The information contained in this announcement is only based on a preliminary assessment by the Board with reference to unaudited consolidated management accounts of the Group for the Relevant Year and the information currently available to the Board. Such information has not been reviewed or audited by the auditor of the Company, or reviewed by the Company's audit committee, and may be subject to adjustments. The Company is in the process of finalizing the annual results of the Group for the Relevant Year. Further details of the Group's performance will be disclosed in the annual results announcement of the Company for the Relevant Year in accordance with the Listing Rules, which is expected to be published on 27 June 2024.

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

By order of the Board
Shunten International (Holdings) Limited
Cheung Siu Fai
Chairman and Executive Director

Hong Kong, 13 June 2024

As at the date of this announcement, the executive director of the Company is Mr. CHEUNG Siu Fai; the non-executive director of the Company is Ms. SO Tsz Kwan; and the independent non-executive directors of the Company are Mr. LEUNG Winson Kwan Yau, Mr. LIU Ying Shun and Ms. DONG Jian Mei.