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MAN SHUN GROUP (HOLDINGS) LIMITED

萬順集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1746)

VOLUNTARY ANNOUNCEMENT — BUSINESS UPDATE

This announcement is made by Man Shun Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company informed of the latest business development of the Group.

As an established provider of engineering services in heat, ventilation and air-conditioning systems (the “**HVAC E&M Engineering Services**”), the Group is expecting keen competition in Hong Kong in the foreseeable future, and tightening profit margin due to rising labour cost, rising operating cost and strong competition in the market of Hong Kong.

In view of the Group’s prospect to strive for development and obtain new projects, the board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the Shareholders and potential investors of the Company that the Group is planning to expand its business development into the People’s Republic of China (the “**PRC**”). The Group preliminarily intends to wholly or partially acquire equity interests of a company in the PRC with businesses resembling that of the Group with the required and relevant licenses. In this endeavour, the Group is proactively seeking a target company with the aforementioned features.

The Board considers the development of businesses of the Group into the PRC represents a good opportunity for the Group to further strengthen our position in the industry and expand the Group’s principal businesses into the PRC, where the demand for the Group’s services is persistently high.

With the Group’s years of experience in the HVAC E&M Engineering Services industry, the Board believes such potential expansion of businesses in the PRC will broaden the income stream of the Group and is in the interests of the Company and the Shareholders as a whole.

The Company will keep the Shareholders and potential investors of the Company informed when the business expansion above materialises by further announcement(s) made by the Company as and when appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

By order of the Board
Man Shun Group (Holdings) Limited
Cheung Yuen Tung
Chairman and Executive Director

Hong Kong, 19 March 2021

As at the date of this announcement, the executive Directors are Mr. Cheung Yuen Tung and Mr. Cheung Yuen Chau; and the independent non-executive Directors are Mr. Pang Kam Fai, Dickson, Mr. Law Chung Lam, Nelson and Mr. Lau Yu Ching.