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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 the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group, the Group is expected to record a significant increase in its unaudited consolidated net profit arising from normal operations for the six months ended 30 June 2010 as compared to that for the corresponding period in 2009.

The information contained in this announcement is only based on the preliminary review of the management accounts of the Group and the information currently available to the Board, which have not been reviewed by the Company's independent external auditors.

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

This announcement is made by Shenguan Holdings (Group) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group, the Group is expected to record a significant increase in its unaudited consolidated net profit arising from normal operations for the six months ended 30 June 2010 as compared to that for the corresponding period in 2009 due to the substantial increase in the sales volume of the Group's products.

The information contained in this announcement is based on the management accounts of the Company and the information currently available to the Board. As at the date of this announcement, the Group's consolidated results for the six months ended 30 June 2010 have not been finalised, and are subject to review by the Company's independent external auditors and, if required, necessary adjustments. Investors are advised to read carefully the interim financial results announcement of the Company for the six months ended 30 June 2010 which is expected to be published before the end of August 2010.

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

By Order of the Board
Shenguan Holdings (Group) Limited
Zhou Yaxian
Chairman

Hong Kong, 3 August 2010

As at the date of this announcement, the executive directors of the Company are Ms. Zhou Yaxian, Ms. Cai Yueqing, Mr. Shi Guicheng and Mr. Ru Xiquan; the non-executive director of the Company is Mr. Low JeeKeong; and the independent non-executive directors of the Company are Mr. Tsui Yung Kwok, Mr. Meng Qinguo and Mr. Yang Xiaohu.