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SHUANGHUA HOLDINGS LIMITED

雙樺控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1241)

EXPECTED DECREASE IN REVENUE AND INCREASE IN NET LOSS

This announcement is made by Shuanghua 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 (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the information currently available to the Company and the preliminary review of the unaudited consolidated management accounts of the Group:

- (i) the Group is expected to record an estimated revenue of approximately RMB13.0 million for the six months ended 30 June 2022 as compared to the revenue of approximately RMB23.8 million for the same period in 2021; and
- (ii) the Group is expected to record an estimated net loss after tax of approximately RMB5.8 million for the six months ended 30 June 2022 as compared to the net loss after tax of approximately RMB0.6 million for the same period in 2021.

The decrease in revenue for the six months ended 30 June 2022 was primarily attributable to the following factors: (i) according to the changes in the market environment and the actual situation, the Group is actively promoting the business transformation and upgrade strategy by actively reducing the unprofitable part of the traditional fuel automotive parts business, and developing the new energy vehicle parts business with potential good profit prospects and sustainable development; and (ii) the lockdown in the Group’s main business location, Shanghai, due to the coronavirus epidemic, which to certain extent affected the turnover rate and the relevant business development of the Group’s supply chain management business.

The increase in net loss after tax for the six months ended 30 June 2022 was primarily attributable to the epidemic in the first half of 2022, which led to the following: (i) the cost of the Group's traditional fuel automotive parts increased, which in turn affected the products profits; and (ii) the government's enhanced epidemic prevention and control measures and regulatory requirements have led to an increase in the operating costs of the Group's supply chain management business and delay in the development of relevant businesses, thereby limiting the overall profitability.

As at the date of this announcement, the Company is still in the course of preparing its interim results of the Group for the six months ended 30 June 2022. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available and the unaudited consolidated management accounts of the Group, which are subject to finalization and other potential adjustments, if any, and have not been reviewed or audited by the Company's auditors or reviewed by the audit committee of the Company. The interim results announcement of the Company for the six months ended 30 June 2022 is expected to be published on or around 31 August 2022. Shareholders and investors are advised to read the interim results announcement carefully when it is issued.

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

On behalf of the Board
Shuanghua Holdings Limited
Zheng Ping
Chairman

Hong Kong, 24 August 2022

As at the date of this announcement, the Board consists of three executive Directors, Mr. Zheng Ping, Ms. Zheng Fei and Ms. Tang Lo Nar, one non-executive Director, Ms. Kong Xiaoling, and three independent non-executive Directors, Ms. Guo Ying, Mr. He Binhui and Mr. Chen Lifan.