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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)

PROFIT WARNING

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 RMB20.4 million for the year ended 31 December 2022, as compared to the revenue of approximately RMB32.7 million for the year ended 31 December 2021; and
- (ii) the Group is expected to record an estimated net loss after tax of approximately RMB19.9 million for the year ended 31 December 2022, as compared to the net loss after tax of approximately RMB18.2 million for the year ended 31 December 2021.

The decrease in revenue for the year ended 31 December 2022 was primarily attributable to the lockdown of Shanghai, where the Group was mainly operating in, to control the spread of COVID during the first half of 2022. During the lockdown, the Group’s cold storage and food supply business remained in operation while the automobile parts and other supply chain management businesses were negatively affected by the lockdown. The impact of the lockdown on the businesses continued in the second half of 2022, including but not limited to (i) the diversion of imported cold chain goods entering Shanghai port to other ports, causing a decline in the circulation of cold storage and food supply in Shanghai; and (ii) the significant increase of COVID cases in China after the ease of COVID control measures by the China Government towards the end of 2022, resulting in decrease in economic activity and consumption. Meanwhile, the Group continued to reduce the unprofitable part of the traditional fuel automobile parts business to control its risk exposure. Despite the aforesaid,

the Group has maintained its operation at its best effort to provide goods and services to its customers during the year.

The increase in net loss after tax for the year ended 31 December 2022 was primarily attributable to decrease in revenue and increase in provision for impairment.

As at the date of this announcement, the Company is still in the course of preparing the final results of the Group for the year ended 31 December 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. Shareholders and potential investors are advised to refer to the annual results announcement of the Company for the year ended 31 December 2022, which is expected to be published on or around 31 March 2023.

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 March 2023

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.