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## **Wah Wo Holdings Group Limited**

### **華和控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9938)**

### **PROFIT WARNING**

This announcement is made by Wah Wo Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 and the information currently made available to the Board, the Group is expected to record a consolidated net profit not more than HK\$9.6 million for the six months ended 30 September 2020 as compared to an unaudited consolidated net profit of approximately HK\$28.9 million (after excluding the one-off listing expenses of approximately HK\$7.5 million incurred in relation to the listing of the shares of Company on the Main Board of the Stock Exchange in January 2020) for the corresponding period in 2019.

Such decrease in net profit was mainly attributable to the decrease in gross profit and gross profit margin due to the following factors:

- (i) following the outbreak of the novel coronavirus (COVID-19), the supply chain management and production capacity across the construction material suppliers have been affected, which resulted in a delay in suppliers’ delivery of construction materials which is beyond the control of the Group. In order to catch up with the schedule of the on-going projects, the Group incurred additional costs to speed up the installation process, which caused the surge of costs in certain projects; and
- (ii) the increase in overall construction costs due to additional costs incurred for subcontracting works for the on-going projects as a result of unstable project schedules during the COVID-19.

The information contained in this announcement is based on the preliminary assessment made by the Board with reference to the information currently available and the unaudited consolidated management accounts of the Group for the six months ended 30 September

2020, which have not been audited or reviewed by the Company's auditor or the audit committee of the Board and may be subject to adjustment. Shareholders and potential investors of the Company are advised to refer to further details of the Group's performance during this period to be disclosed in the Group's interim results announcement for the six months ended 30 September 2020, which is expected to be published on or around 27 November 2020.

By order of the Board  
**Wah Wo Holdings Group Limited**  
**CHEN Yuet Wa**  
*Chairman and Executive Director*

Hong Kong, 11 November 2020

*As at the date of this announcement, the Board comprises five members, of which Mr. CHEN Yuet Wa and Mr. CHAN Fai are the executive directors of the Company; and the Mr. CHOW Chi Fai, Mr. CHAN Hon Ki and Mr. YU Chi Wing are the independent non-executive directors of the Company.*