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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 INCREASE IN REVENUE**  
**AND DECREASE IN NET LOSS**

This announcement is made by Shuanghua Holdings Limited (雙樺控股有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions 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 (the “**Shareholders**”) and the potential investors of the Company that, based on the information currently available to the Company and the preliminary review of the unaudited consolidated management accounts of the Group,

- (i) it is expected that the Group will record a significant increase in revenue by approximately 123.1% for the year ended 31 December 2020, as compared to the revenue of approximately RMB28.6 million for the year ended 31 December 2019; and
- (ii) it is expected that the Group will record a significant decrease in net loss after tax by approximately 77.5% for the year ended 31 December 2020, as compared to the net loss after tax of approximately RMB31.5 million for the year ended 31 December 2019.

The increase in revenue and decrease in net loss after tax for the year ended 31 December 2020 were primarily due to the following reasons:

- (i) the Group had expanded its product line of key components in the automotive HVAC system by increasing the variety of automotive air-conditioning compressors, and increased sales efforts in promoting products mainly to the domestic automotive after-sales market, which is highly related to the immense car ownership scale and growing average car age; and
- (ii) the Group had resumed its production in Anhui since March 2020, which enabled the Group to reduce the costs of personnel and raw materials.

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 2020. 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 have not been reviewed or audited by the Company's auditors or reviewed by the audit committee of the Company. The annual results announcement of the Company for the year ended 31 December 2020 is expected to be released on or around 31 March 2021. Shareholders and investors are advised to read the annual 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, 18 March 2021

*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.*