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SG Group Holdings Limited

樺欣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1657)

PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of SG Group Holdings Limited (the “**Company**”, which 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

After preliminary review by the Company’s management on the unaudited management accounts of the Group and assessment of the information currently available, the board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a loss of not less than approximately HK\$4.0 million for the six months ended 31 October 2022 before taking into account of further impairment or provisions, if any, that may be required to be made, as compared to a loss of approximately HK\$0.6 million for the six months ended 31 October 2021.

Based on the information currently available, the expected increase in loss was mainly attributable to (i) the decrease in revenue; (ii) the decrease in gross profit; and (iii) the increase in net realised and unrealised losses on trading securities; as a result of the downturn in the overall fashion retail and wholesale market and the continuous geopolitical tensions, high inflation and interest rate hikes as well as recession risk.

As the Company is still in the process of finalizing the consolidated results of the Group for the six months ended 31 October 2022, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited management accounts of the Group and information currently available, which have not been audited by the auditors of the Company or reviewed by the audit committee of the Company and may be subject to changes and adjustments. The actual results of the Group may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the results announcement of the Group for the six months ended 31 October 2022 when it is published.

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

By Order of the Board
SG Group Holdings Limited
Choi King Ting, Charles
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, 6 December 2022

As at the date of this announcement, the executive Directors are Mr. Choi King Ting, Charles and Mr. Choi Ching Shing; and the independent non-executive Directors are Mr. Lai Kwok Hung, Alex, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu.