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**Hong Kong Johnson Holdings Co., Ltd.**

**香港莊臣控股有限公司**

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

**(Stock Code: 1955)**

## **UPDATE ON PROFIT WARNING**

This announcement is made by Hong Kong Johnson Holdings Co., Ltd. (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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to change in accounting estimates and profit warning announcement of the Company dated 20 October 2023 (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated herein.

The Board wishes to further inform the Shareholders and potential investors of the Company that, according to the information currently available and after preliminary assessment on the unaudited consolidated management accounts of the Group for the six months ended 30 September 2023 (the “**Interim Period**”) by the management of the Company, the revenue of the Group for the Interim Period is expected to record a decrease of about 33% as compared to that for the six months ended 30 September 2022 of approximately HK\$1,224.1 million. The profit attributable to the equity holders of the Company for the Interim Period is expected to record a decrease of about 72% after taking into account the Change in Accounting Estimates as set out in the Announcement as compared to that for the six months ended 30 September 2022 of approximately HK\$33.9 million. According to the information currently available, the decrease in revenue and profit during the Interim Period as compared to the six months ended 30 September 2022 was mainly attributable to (i) certain government contracts for the provision of cleaning services not being successfully renewed, which caused a decrease in revenue generated from our government customers during the Interim

Period; (ii) the decrease in profit margin of the Group's certain service contracts due to intense market competition; (iii) the decrease in government subsidies by approximately HK\$3.1 million received from the Employment Support Scheme of the Government of the Hong Kong Special Administrative Region during the Interim Period as compared to that for the six months ended 30 September 2022; and (iv) the decrease in certain fixed costs of the Group during the Interim Period was less than the decline in revenue. The decline of 72% in profit attributable to the equity holders of the Company for the Interim Period as compared to the corresponding period in 2022 compared to the decline of 57% for the first five months ended 31 August 2023 as compared to the corresponding period in 2022 was mainly due to the impact of additional costs incurred on two completed government contracts in September 2023.

As at the date of this announcement, the Company is still in the process of finalizing the results of the Group for the Interim Period, the information contained in this announcement is only based on the preliminary assessment made with reference to the unaudited consolidated management accounts of the Group for the Interim Period (such accounts have not been confirmed, reviewed or audited by the Company's auditor nor reviewed by the audit committee of the Company, and the accounts have not been finalized and may be subject to adjustments) currently available to the management and other information currently available. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company, and to read carefully the interim results announcement of the Company for the six months ended 30 September 2023, which will be published by the end of November 2023.

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

By order of the Board  
**Hong Kong Johnson Holdings Co., Ltd.**  
**XIE Hui**  
*Chairman*

Hong Kong, 10 November 2023

*As at the date of this announcement, the executive Director is Dr. LI Zhuang (Vice President); the non-executive Directors are Mr. XIE Hui (Chairman), Mr. JIN Liang, Mr. YAN Jun, Ms. LI Yanmei, Ms. LEE Wing Yee Loretta, Ms. WONG Ling Fong Lisa and Mr. ZHOU Wenjie; and the independent non-executive Directors are Mr. FAN Chiu Tat Martin, Dr. GUAN Yuyan, Mr. HONG Kam Le, Mr. LEUNG Siu Hong and Ms. RU Tingting.*