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Shin Hwa World Limited
神話世界有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock code: 00582)

PROFIT WARNING

This announcement is made by Shin Hwa World 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 in 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 shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Board, the Group is expected to record a consolidated net loss of approximately HK\$450 million to HK\$540 million for the year ended 31 December 2023 (the “**Year**”) as compared to the consolidated net loss of approximately HK\$217 million for the previous financial year ended 31 December 2022.

The expected increase in consolidated net loss for the Year was mainly attributable to (i) the pressure on the room price and occupancy rate due to intense competition and domestic customers travelling abroad after the easing of travel restrictions, leading to a decrease in revenue generated from the integrated resort development segment; (ii) the decrease in residential property sales owing to the downturn in the property market and the interest rate rise; (iii) the increase in operating expenses resulting from inflation, particularly utility costs and facilities maintenance costs, as well as an increase in employee benefit expenses; (iv) the absence of a net amount of approximately HK\$63 million from the reversal of trade and other receivables impairment recorded in the previous financial year 2022; and (v) the possible impact on the recognition of impairment on intangible assets. As at the date of this announcement, the Group is still in the course of assessing the impairment loss on intangible assets, if any. Taking into account the possible impairment on intangible assets that may be required to be made, it is anticipated that there was a consolidated net loss of approximately HK\$450 million to HK\$540 million for the Year (2022 audited: net loss of approximately HK\$217 million).

The information contained in this announcement is prepared only based on the information currently available to the Board and a preliminary assessment of the consolidated management accounts for the Year of the Group which have not been confirmed or reviewed by the independent auditor of the Company and may be subject to adjustment. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the Year, which is expected to be published in late March 2024.

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

By order of the Board
Shin Hwa World Limited
Chan Mee Sze
Acting Chairperson and Executive Director

Hong Kong, 1 March 2024

As at the date of this announcement, the Board comprises Ms. Chan Mee Sze (Acting Chairperson), Dr. Wong Hoi Po and Mr. Huang Wei as executive Directors; and Mr. Li Chun Kei, Mr. Shek Lai Him Abraham and Mr. Du Peng as independent non-executive Directors.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.