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HUAXI HOLDINGS COMPANY LIMITED

華禧控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01689)

PROFIT WARNING

This announcement is made by of Huaxi Holdings Company Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment by the management of the Company with reference to the Group’s unaudited consolidated management accounts for the six months ended 30 June 2022 (the “**Period**”) and the information currently available, the Group is expected to record a net loss attributable to owners of the Company of approximately HK\$7.50 million, as compared to a net profit of approximately HK\$42.50 million for the six months ended 30 June 2021.

The expected turnaround from net profit to net loss was mainly attributable to (i) a decrease in revenue from environmental treatment business which was resulted from only a few small projects being commenced during the Period; (ii) a decrease of revenue from cigarette packaging materials and an increase in the costs of production accessories; and (iii) a fair value loss on financial assets at fair value through profit or loss.

The information contained in this announcement represents only a preliminary assessment by the Board mainly with reference to the information currently available, including the unaudited consolidated management accounts of the Group for the Period, which is yet to be finalised by the Company and has not been reviewed nor audited by the Company’s auditor or reviewed by the audit committee of the Company. As such, the actual financial results of the Group for the Period may be different from the information disclosed in this announcement. The interim results announcement of the Company for the Period will be published by late August 2022 in accordance with the Listing Rules.

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

By order of the Board
Huaxi Holdings Company Limited
Zheng Andy Yi Sheng
Chairman

Hong Kong, 10 August 2022

As at the date of this announcement, the Board comprises Mr. Zheng Andy Yi Sheng and Mr. Zheng Minsheng as executive Directors; Mr. Hao Jiming as non-executive Director and Mr. Lau Kwok Hung, Mr. Fok Po Tin and Mr. Cai Xiaowen as independent non-executive Directors.