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China Wood Optimization (Holding) Limited

中國優材(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1885)

INSIDE INFORMATION

FURTHER DELAY IN PUBLICATION OF THE 2020 ANNUAL RESULTS AND DELAY IN DESPATCH OF THE 2020 ANNUAL REPORT

This announcement is made by China Wood Optimization (Holding) Limited (the “**Company**”; together with its subsidiaries, the “**Group**”) pursuant to rules 13.09(2)(a) and 13.49(3)(i) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 the announcements of the Company dated 19 March 2021, 30 March 2021 and 30 April 2021 in relation to, among others, the progress in publication of 2020 Annual Results. Capitalised terms used in this announcement have the same meanings as defined in the announcements of the Company dated 30 March 2021 and 30 April 2021 unless otherwise stated.

As announced by the Company, due to the outbreak of the Epidemic, the progress of certain audit field works in the PRC for the 2020 Annual Results have been disrupted by the work suspension and travel restrictions in force in Hebei of the PRC to combat the outbreak of the Epidemic during the period from January 2021 to early March 2021. Furthermore, since April 2021, the Group has been involved in an investigation (the “**Investigation**”) by a government authority in the PRC against one of the former solid wood suppliers of the Group whereby the Group has been requested by the government authority to assist in the Investigation. As a result of the Investigation, two offices of the Group in Shijiazhuang, Hebei Province, the PRC were under on-site investigation by the government authority, and five out of nineteen bank accounts of the Group have been frozen. Up to the date of this announcement, the Investigation is still on going. While the Investigation has not resulted in, and is not expected to have, any material adverse impact on the daily business operations and financial positions of the Group, additional time is required by the Auditors to complete its audit procedures in respect of the 2020 Annual Results, which have been affected by the progress of the Investigation. The Board will continue to assess the impact of the Investigation on the operations and financial positions of the Group and/or the publication of the 2020 Annual Results, and will make further announcement as and when appropriate.

As such, there will be a further delay in the publication of the 2020 Annual Results, and subject to the progress of the Investigation which is uncertain and not controllable by the Company, the Company expects to publish the 2020 Annual Results by end of August 2021. The despatch of the 2020 Annual Report to the Shareholders will be delayed to a date after the 2020 Annual Results has been published.

The Board acknowledges that any delay in the despatch of the 2020 Annual Report will constitute non-compliance with rule 13.46(2)(a) of the Listing Rules. The Company will use its best endeavours to assist and cooperate with the Auditor in its performance of the required audit works, so that the 2020 Annual Results and the 2020 Annual Report can be finalised, approved and published and/or despatched (as the case may be) as soon as practicable.

The Board wishes to state that the operations of the Group have not been affected as a result of the above delay.

Pursuant to rule 13.50 of the Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules. As a result of the delay in publication of the 2020 Annual Results, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021. The trading suspension will remain in force until the publication of the announcement in relation to the 2020 Annual Results by the Company.

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

By order of the Board
China Wood Optimization (Holding) Limited
Yim Tsun
Chairlady

Hong Kong, 3 June 2021

As at the date of this announcement, the executive Directors are Ms. Yim Tsun and Mr. Li Li; and the independent non-executive Directors are Mr. Zhang Dali, Mr. Pu Junwen and Mr. Lau Ying Kit.