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HONG WEI (ASIA) HOLDINGS COMPANY LIMITED

鴻偉(亞洲)控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8191)

PROFIT WARNING

This announcement is made by Hong Wei (Asia) Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM 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, the Company expects to report a loss after tax of not less than HK\$65 million for the financial year ended 31 December 2020 (“**FY2020**”) as compared to a net profit after tax of approximately HK\$25.3 million for the last year (“**FY2019**”), mainly attributable to the following:

1. the Group has seen a decline in revenue due to the impact of COVID-19 which affected the industry and increase in cost of sales in second half of the year, as a result of which the gross profit for FY2020 is estimated to be approximately 34% less than that for FY2019; and
2. the valuation of market comparables decreases which results in a substantial loss arising from changes in the fair value less costs to sell of the Group’s biological assets (being the timber trees in its forests) and an impairment of the forestry land.

The Company is still in the course of evaluating the effect of the above to its consolidated results for the FY2020. The information contained in this announcement is only based on the preliminary assessment by the Company’s management which is based on the latest financial information of the Group available to the management. The above information may be subject to further adjustment based on further updated information, and following the review of the Company’s audit committee of the Board. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Company for the FY2020 which is expected to be released on or before 31 March 2021.

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

By order of the Board
Hong Wei (Asia) Holdings Company Limited
Wong Cheung Lok
Chairman and executive Director

Hong Kong, 29 March 2021

As at the date of this announcement, the executive Directors are Mr. Wong Cheung Lok, Ms. Cheung Ngar Kwan, Mr. Liu Jiayong and Mr. Wong Kin Ching and the independent non-executive Directors are Dr. Xu Jianmin, Ms. Qian Xiaoyu and Dr. Chow Ho Wan, Owen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website (www.hkgem.com) for at least seven days from the day of its posting. This announcement will also be published on the Company's website at www.hongweiasia.com.