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 Huaxi Holdings Company Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 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 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 on the latest unaudited consolidated management accounts of the Group for the year ended 31 March 2016 and information currently available to the Board, the Group expects to record a substantial decrease in profit after tax for the year ended 31 March 2016 as compared to the corresponding period in 2015.

According to the information currently available, the Board considers that such a decline in net profit is mainly attributable to, including but not limited to: (i) a decrease in sales volume; (ii) an increase in administrative expenses to establish new companies in Shanghai and Heilongjiang; (iii) the non-cash items including recognition of share-based payment in which share options granted; and (iv) a provision for a decrease in market value of listed securities.

The Company is still in the process of finalising the consolidated results of the Group for the year ended 31 March 2016. This announcement is only a preliminary assessment which is based on the latest financial information available to the Board and is subject to finalisation and other potential adjustments, if any. The details in relation to the annual results of the Group shall be disclosed in the annual results announcement of the Group which is expected to be published on or before 30 June 2016.

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

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

Hong Kong, 6 May 2016

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