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**", 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 Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board of Directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the Group's unaudited financial information for the year ended 31 March 2018, the Board's preliminary assessment is that the Group recorded a moderate decrease in a consolidated net profit after tax for the year ended 31 March 2018 as compared to the previous corresponding financial year. The decrease in profit was mainly attributable to:

(i) the decrease in revenue due to a drop in average selling price across various products because of intense competition in the printing and packaging industry;

(ii) the decrease in revenue from environmental treatment business; and

(iii) the increase in loss provision on the listed securities at fair value.

The information contained in this announcement is only a preliminary assessment by the Board based on the management accounts of the Group and such management accounts have not been reviewed, confirmed or audited by the Company's auditors. The audited final results of the Group for the year ended 31 March 2018 are expected to be announced by the end of June 2018.

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

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

Hong Kong, 31 May 2018

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