ASIA CASSAVA RESOURCES HOLDINGS LIMITED
亞洲木薯資源控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 841)

PROFIT WARNING

This announcement is made by Asia Cassava Resources Holdings Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rules 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders and potential investors of the Company that based on a preliminary assessment of the Group's unaudited management accounts for the nine months ended 31 December 2018 (the "**Period**"), the Group's results for the Period were deteriorated as compared with corresponding period of last year. It was mainly attributable to the intensified trade friction between China and the United States, leading to the slowdown in the economy and the sluggish markets for various industries in China. As such, the domestic customers' demand in China for dried cassava chips has also decreased accordingly. The Group's revenue and average gross profit margin from sales of dried cassava chips during the Period were decreased as compared with the corresponding period of last year. However, the overall financial position of the Group remained stable. The Board expects that the Group will record a loss for the year ending 31 March 2019 should such economic conditions persist.

The information contained in this announcement is a preliminary assessment made by the Board based on the information currently available to the Group and such information has not yet been audited, confirmed or reviewed by the auditors nor the audit committee of the Company, and the actual results of the Group for the year ending 31 March 2019 may be different from those disclosed herein. Shareholders and potential investors are advised to read the annual results announcement of the Group which is expected to be published before end of June 2019.

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
Asia Cassava Resources Holdings Limited
Chu Ming Chuan
Chairman

Hong Kong, 15 January 2019

As at the date hereof, the Company's executive directors are Mr. Chu Ming Chuan (Chairman), Ms. Liu Yuk Ming and Ms. Lam Ching Fun and the Company's independent non-executive directors are Professor Fung Kwok Pui, Mr. Chui Chi Yun Robert and Mr. Yue Man Yiu Matthew.