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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)**

**VOLUNTARY ANNOUNCEMENT**  
**POTENTIAL IMPACT OF RECENT OUTBREAK OF**  
**CORONAVIRUS (COVID-19) EPIDEMIC ON**  
**BUSINESS OPERATIONS**

This announcement is issued by China Wood Optimization (Holding) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis.

Since the outbreak of the coronavirus (COVID-19) epidemic (the “**Epidemic**”), a number of provinces and cities in the People’s Republic of China (the “**PRC**”) have adopted public health measures for emergencies, including but not limited to limitation on the travel of citizens in the PRC and implementation of conditional resumption of work after the Chinese New Year holidays, so as to curb the spread of the Epidemic. Although two factories of the Group in Handan, Hebei Province, and Huai’an, Jiangsu Province, the PRC have gradually resumed limited production on 24 February 2020, the Epidemic has caused, among others, (i) the shortage of workforce in the production facilities of the Group; (ii) disruption to the logistics network following the implementation of travel and transportation restrictions in various cities in the PRC leading to delay in delivery of raw materials to the Group; and (iii) extensive disruption to the normal operation of the businesses in the PRC, including the downstream manufacturers of solid wood furniture, which requires wood processing procedure services from the Group and thereby may affect the Group’s sales. The Group believes that the PRC government has adopted strict preventive and control measures to curb the spread of the Epidemic, and the relevant measures have begun to work. The Group is keeping close contact with suppliers and customers so as to minimize the impact on both parties.

The board of directors (the “**Board**”) of the Company will continue to monitor closely the development of the Epidemic and relevant PRC government policies and will ensure resumption of full operation of the Group’s production facilities as soon as possible to the extent practicable. The Company will make further announcement(s) as and when appropriate.

**Shareholders and potential investors of the Company 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, 24 February 2020

*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.*