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HUAXI HOLDINGS COMPANY LIMITED

華禧控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1689)

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 ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under 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 information currently available to the Board, the Group is expected to record a loss attributable to the owners of the Company in the range of approximately HK$100 million to HK$122 million for the year ended 31 December 2024 (the "**Year**") as compared with the loss attributable to owners of the Company of approximately HK$41 million for the year ended 31 December 2023.

The Board considers that the increase in loss attributable to owners of the Company for the Year was mainly attributable to the following reasons:

(i) an increase in net impairment loss on financial and contract assets recognized, as higher expected loss rates were adopted to the customers with financial constraints in relation to the environmental and ecological restoration treatment business of the Group, and an expected loss rate of 100% was applied to certain specific balances as the collectability of the amount was remote due to the commercial dispute currently dealing with the counterparty;

(ii) an increase in loss recognized from the environmental and ecological restoration treatment business of the Group, as few new ecological restoration projects were awarded during the Year but additional costs were incurred for the maintenance of existing projects and obtaining new contracts; and

(iii) a decrease in revenue from sales of cigarette packaging products due to the intense market competition and a decline in demand from key customers.

The information contained in this announcement is based only on a preliminary assessment of the unaudited consolidated management accounts of the Group for the Year, which has not yet been audited or reviewed by the auditors or the audit committee of the Company. The Company is finalising the consolidated financial results of the Group for the Year, the actual information and data may differ from the information contained in this announcement. Shareholders and potential investors of the Company are advised to refer to the forthcoming final results announcement of the Group for the Year, which is expected to be published on 31 March 2025.

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

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

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises Mr. Zheng Andy Yi Sheng, Mr. Zheng Minsheng and Ms. Zheng Catherine Jia Lin as executive directors; Mr. Hao Jiming as non-executive director; and Mr. Lau Kwok Hung, Mr. Fok Po Tin and Mr. Cai Xiaowen as independent non-executive directors.