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HONG WEI (ASIA) HOLDINGS COMPANY LIMITED

鴻偉(亞洲)控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8191)

PROFIT WARNING

The announcement is made by Hong Wei (Asia) Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available, while the Group is expected to report an increase in revenue for the six months ended 30 June 2017 (“**1H2017**”) compared with the six months ended 30 June 2016 (“**1H2016**”), (i) the increase in unit costs of raw materials particularly in residue wood from external suppliers that has continued to reduce the gross profit margin (1H2017: approximately 20.8%; 1H2016: 25.8%); (ii) the increase in the selling expenses particularly in products packaging costs as a result of change in product packaging method in order to secure products from damage during transportation and (iii) the increase in administration expenses particularly arising from the recognition of legal and professional fee incurred in respect of the proposed major and connected acquisition first announced in January 2016 and which was terminated on 26 April 2017, have contributed to approximately over 60% reduction in the profit attributable to the owners of the Company in 1H2017 (1H2016: approximately HK\$18.29 million).

As the Company is still in the course of preparing its consolidated results for the six months ended 30 June 2017. The information contained in this announcement is only based on the preliminary assessment by the Company’s management which is based on the latest financial information available to the management. The above information may be subject to further adjustment based on further updated information, and following the review of the audit committee of the Board and the management of the Company. Shareholders and potential investors of the Company are advised to refer to the results announcement of the Company for the six months ended 30 June 2017 which is expected to be released in August 2017.

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
Hong Wei (Asia) Holdings Company Limited
Wong Cheung Lok
Chairman and executive director

As at the date of this announcement, the executive Directors are Mr. Wong Cheung Lok, Ms. Cheung Ngar Kwan, Ms. Huang Xiuyan and Mr. Liu Jiayong; the non-executive Directors are Mr. Ong Chor Wei and Mr. Lai Ming Wai; and the independent non-executive Directors are Dr. Xu Jianmin, Ms. Qian Xiaoyu and Mr. Wong Hei Chiu.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website (www.hkgem.com) for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at www.hongweiasia.com.