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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 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, the Company expects to report a significant loss for the financial year ended 31 December 2018 (“**FY2018**”) as compared to a net profit of approximately HK\$30.3 million for the last year (“**FY2017**”), mainly attributable to the following developments in the last quarter of FY2018:

- a. the Group has seen a decline in sales volume and average unit selling price of particle boards due to the impact of market conditions, compared to the last quarter of last year, as a result of which the gross profit for FY2018 is estimated to be approximately 20% less than that for FY2017;
- b. it has come to the attention of the Group that the grant by the relevant government department of timber wood harvesting quotas (which is typically granted on an annual basis) have been materially curtailed in 2018 as part of the PRC government’s strengthening environmental protection drive, and such enhanced control is expected to last for a period which is unknown to the Group at the moment. The Group understands that such curtailment or suspension is to be implemented nationwide although it is not aware of there being any specific

published laws, regulations, notices or decisions in relation to the curtailment or elimination of timber wood harvesting quotas for privately owned enterprises. The Group will continue to apply for the harvesting quotas, but the unpredictability of the Group's ability to obtain such quota is likely to affect the future harvesting plan of the Group and result in a substantial loss arising from changes in the fair value less costs to sell of the Group's biological assets (being the timber trees in its forests) (the carrying value of the biological assets of the Company as at 30 June 2018 was approximately HK\$176,730,000).

The Company is still in the course of evaluating the effect of the above to its consolidated results for the FY2018. 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 Company's auditors and audit committee. Shareholders and potential investors of the Company are advised to refer to the results announcement of the Company for the FY2018 which is expected to be released in March 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  
**Hong Wei (Asia) Holdings Company Limited**  
**Wong Cheung Lok**  
*Chairman and executive director*

Hong Kong, 30 January 2019

*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; and the independent non-executive Directors are Dr. Xu Jianmin, Ms. Qian Xiaoyu and Dr. Chow Ho Wan, Owen.*

*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 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 at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcement" page for at least seven days from the date of its publication. This announcement will also be published on the Company's website at [www.hongweiasia.com](http://www.hongweiasia.com).*