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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: 01689)**

### **PROFIT WARNING**

This announcement is made by of 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 (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 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 decrease in consolidated revenue of approximately 50% as compared to the year ended 31 December 2021 and a loss attributable to the owners of the Company around HK\$54 million for the year ended 31 December 2022 (the “**Year**”) as compared to profit attributable to owners of the Company of approximately HK\$37 million for the year ended 31 December 2021.

The Board considers that the turnaround from net profit to net loss was mainly attributable to the following reasons:

- (i) due to the ongoing impacts of the COVID-19 pandemic, a substantial decrease in environmental treatment service revenue was recorded in the Year which was mainly resulted from a significant drop in the number of new projects;
- (ii) fair value losses in the financial assets through profit or loss due to volatility in the securities market in the Year; and
- (iii) allowances of expected credit loss in respect of certain long outstanding trade and other receivables in the Year.

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 have not been reviewed by the Audit Committee nor audited by the auditor 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 annual results announcement of the Group for the Year, which is expected to be published in March 2023.

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

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

Hong Kong, 6 March 2023

*As at the date of this announcement, the Board comprises Mr. Zheng Andy Yi Sheng and Mr. Zheng Minsheng 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.*