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CHINA WOOD INTERNATIONAL HOLDING CO., LIMITED

中木國際控股有限公司

(Joint Provisional Liquidators appointed)

(For restructuring purposes only)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1822)

PROFIT WARNING

This announcement is made by China Wood International Holding Co., Limited 中木國際控股有限公司 (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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 (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited management accounts of the Group to the Board, the Group is expected to record an increase in loss by approximately 47.2% for the year ended 31 December 2020 (“**FY2020**”) as compared to a loss for the year ended 31 December 2019. The increase in loss for FY2020 is mainly attributable to (i) decrease in revenue in relation to the materials trading business during FY2020 as a result of the negative sentiment of the PRC-US trade war, which affects global economy and reduces the demand for commodities; (ii) increase in fair value loss on financial assets at fair value through profit or loss as a result of the challenging macroeconomy and current outbreak of COVID-19 epidemic; (iii) increase in financial guarantee provision as a result of certain indemnification claims related to the investment in an unlisted investment fund; and (iv) the loss on deemed disposal of subsidiaries as a result of an enforcement of share charge by certain note holders.

As the Company is still in the process of finalising the final results of the Group for FY2020, the information contained in this announcement is based only a preliminary assessment by the management according to the information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Board and may be subject to change. Shareholders and potential investors of the Company are advised to refer to the formal announcement of the annual results for the FY2020, which is expected to be published on 29 March 2021.

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

China Wood International Holding Co., Limited
中木國際控股有限公司

(Joint Provisional Liquidators appointed)
(For restructuring purposes only)

Lyu NingJiang

Chairman and Executive Director

Hong Kong, 23 March 2021

As at the date of this announcement, the Board comprises Mr. Lyu NingJiang (Chairman and CEO) as executive director, Mr. Hu YongGang as non-executive director; and Mr. Zhao XianMing and Mr. An Dong as independent non-executive directors.