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太 睿 國 際 控 股 有 限 公 司

PacRay International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1010)

PROFIT WARNING AND BUSINESS UPDATES

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of PacRay International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT WARNING

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the management of the Company (the “**Management**”), including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, it is expected that the Group will record

- (i) an increase in revenue by approximately 75% to approximately HK\$35 million for the six months ended 30 June 2020, as compared with approximately HK\$20 million for the six months ended 30 June 2019;
- (ii) an increase in gross profit by approximately 38% to approximately HK\$11 million for the six months ended 30 June 2020, as compared with approximately HK\$8 million for the six months ended 30 June 2019; and
- (iii) a decrease in loss attributable to owners of the parent by approximately 89% to HK\$1 million for the six months ended 30 June 2020, as compared to with approximately HK\$9 million for the six months ended 30 June 2019.

The improvement in the financial performances was due to (i) a stable performance of the design and sales of integrated circuit and semi-conductor parts; and (ii) income brought into the Group from its new business segments, including the aircraft business management.

The Management is still in the process of finalising the interim results of the Group for the six months ended 30 June 2020. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, which is subject to possible adjustments arising from further review. The interim results of the Group for the six months ended 30 June 2020, which is expected to be published on 28 August 2020, may be different to the information referred in this announcement.

BUSINESS UPDATES

The Board also wishes to update the Shareholders on certain business segments of the Group:

(a) Trading of construction materials

For the six months ended 30 June 2020, the Group has decided to terminate the business in the trading of construction materials, by not seeking new business and by focusing on recovering the outstanding trade receivables. For the six months ended 30 June 2020, the operation of this segment recorded nil revenue.

On the other hand, the management has shifted their focuses on recovering existing receivables from this business segment. As at this moment, the management is working on recovering a trading receivable of approximately HK\$23 million from a customer, including entering into a settlement arrangement, details of which have been disclosed in the announcement of the Company dated 27 March 2020. As at the date of this announcement, the settlement arrangement has been delayed due to the impact of the COVID-19 outbreak. Also, due to the downward economy and unsatisfactory financial performance of the customer, the mentioned trading receivable has been impaired for the six months ended 30 June 2020.

(b) Research and development in real time 2D-3D conversion display products

For the six months ended 30 June 2020, the Group has decided to terminate the business in the research and development in real time 2D-3D conversion display products, by a disposal. The disposal was completed in June 2020.

Nevertheless, the Company maintained an option to re-enter into this business sector by having a buy-back right, which is exercisable within one year and at an acceptable repurchase price. As at this stage, the Company has no intention to exercise the repurchase option.

(c) Aircraft business management and luxury yacht management

For the six months ended 30 June 2020, the business in aircraft business management and luxury yacht management recorded a relatively stable performance. The management is now focusing on the business platform of this business segment to provide charter flight for members of the public. In February 2020, the Company announced a possible acquisition of 20.2% equity interest in Red Power Developments Limited, partially because that one subsidiary of the target company is a recognized operator qualified to apply for permission for scheduled flights (including the right to use the airport, clearance for taking off and landing and related airport ground services) on behalf of foreign operators. As at the date of this announcement, the acquisition is under the due diligence and has not been completed.

By Order of the Board
PacRay International Holdings Limited
Lau Mei Ying
Executive Director

Hong Kong, 21 August 2020

As at the date of this announcement, the Board of the Company comprises nine Directors. The executive Directors are Mr. Yang Lin, Ms. Lau Mei Ying, Mr. Leung Pok Man, Ms. Li Wei Na and Mr. Xu Yinsheng; the non-executive Director is Mr. Zhou Danqing; and the independent non-executive Directors are Ms. Ching Ching, Ms. Weng Yuzhen, and Dr. Zhang Shengdong.