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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 year ended 31 December 2020, it is expected that the Group will record:

- (i) an increase in revenue by approximately 26% to approximately HK\$93 million for the year ended 31 December 2020, as compared with approximately HK\$74 million for the year ended 31 December 2019;
- (ii) an increase in gross profit by approximately 20% to approximately HK\$24 million for the year ended 31 December 2020, as compared with approximately HK\$20 million for the year ended 31 December 2019; and
- (iii) a decrease in loss attributable to owners of the parent by approximately 76% to HK\$5 million for the year ended 31 December 2020, as compared with approximately HK\$21 million for the year ended 31 December 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 annual results of the Group for the year ended 31 December 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 annual results of the Group for the year ended 31 December 2020, which is expected to be published on 30 March 2021, may be different from the information as stated in this announcement.

BUSINESS UPDATES

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

(a) Possible tea business

In late 2020, the Group started to conduct feasibility studies on the tea business. Its business scope includes the production and sales of tea and tea-related products, and promotion and operation of tea-cultural tourism. As at the date of this announcement, all works conducted by the Group in connection with this business were related to feasibility study, opportunity seeking, general cooperation negotiation, etc. No formal business strategy has been formulated or implemented. Nevertheless, given that (i) tea products remain as a core in traditional Chinese culture and the daily life of the Chinese people; (ii) there was a noticeable surge in the consumers' demand for high-quality tea products; and (iii) certain cities in China and the local governments give strong support of the development of tea business, the Management is confident about the potential of this business.

(b) Possible yacht business

This possible yacht business is related to a sales agency framework cooperation agreement announced by the Company on 23 July 2019. According to this framework agreement with Liaoning Jinlong Super Yacht Manufacturing Co., Ltd.* (遼寧錦龍超級遊艇製造有限公司), the Company intended to become a non-exclusive agent of the yacht products to sell 46-meter super yachts and 110-inch catamaran yachts in Europe, South America, the US, Hong Kong and Shenzhen. Recently, the Company noticed a positive trend in the yacht market, especially under the consideration that (i) the yacht consuming or investing is getting more recognition in the wealthy people; (ii) construction of the relevant facilities, such as yacht harbor and yacht club, makes the yacht consuming more feasible and appealing; and (iii) customer tastes, such as the preference to well-branded yachts with world-wide presence, offer more opportunities to the Group. Thereafter, the Group has started to review this business segment, and started a negotiation to re-initiate a cooperation.

(C) Other business

Since March 2020, the Group began to reduce or suspend (i) trading of building materials; (ii) research and development of real-time 2D to 3D video display system; (iii) finance lease in China; and (iv) money lending in Hong Kong. As at the date of this announcement, the Group has completely suspended the trading of building materials and the research and development of real-time 2D to 3D video display systems, and has no plans to re-initiate these businesses for the time being. In addition, due to the increased credit risk, the Group decided not to actively seek new customers or conduct new transactions in China's finance lease and Hong Kong's money lending businesses unless opportunities that are extremely beneficial to the Group emerge.

The Company would like to emphasize that the aforementioned tea business and yacht business have not been fully launched in 2020 and up to the date of this announcement. The Company will make further announcements when and as appropriate.

By order of the Board
PacRay International Holdings Limited
Yang Lin
Chairman

Hong Kong, 25 March 2021

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.