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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)

**INSIDE INFORMATION
AND
PROFIT WARNING**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on a preliminary assessment of the Management Accounts, it is expected to record a significant decrease in consolidated loss attributable to the Shareholders for the six months ended 30 June 2017 (i.e. the 2017 Interim Period), as compared with the consolidated loss recorded for the corresponding interim period in 2016.

The information contained in this announcement is only based on the preliminary assessment by the Board on the Management Accounts which have not been reviewed or audited by the Company's auditors.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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 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) (the “**SFO**”). Reference is made to the joint announcement (the “**Joint Announcement**”) by Glory Genius International Holdings Limited and the Company dated 10 July 2017 in relation to the voluntary conditional cash offer to acquire all the issued shares in the Company (the “**Offer**”). Unless the context requires otherwise, capitalised terms used herein have the same meanings as those defined in the Joint Announcement.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary assessment of the consolidated management accounts (the “**Management Accounts**”) of the Group for the six months ended 30 June 2017 (the “**2017 Interim Period**”), it is expected to record a significant decrease in

consolidated loss attributable to the Shareholders for the 2017 Interim Period, as compared with the consolidated loss recorded for the corresponding interim period in 2016. Such decrease in consolidated loss was primarily attributable to the decrease in fair value loss on the Group's investments in financial assets at fair value through profit and loss in its consolidated interim income statement. An unrealised fair value losses of approximately HK\$6 million of the Company's investment in ChipMOS Technologies (Bermuda) Limited ("**ChipMOS**") was recognised by the Company in its consolidated interim income statement for the six months ended 30 June 2016. As disclosed in the annual report 2016, on 31 October 2016, ChipMOS completed the merger with ChipMOS Technologies Inc. ("**ChipMOS Taiwan**") (the "**Merger**"). Upon the completion of the Merger, such financial assets at fair value through profit or loss in relation to the Group's interest in ChipMOS has been derecognised and the Group has reclassified its investment in ChipMOS Taiwan American depository shares ("**ChipMOS Taiwan ADS**") as an available-for-sale financial asset. Consequently, for the 2017 Interim Period, the fair value gain due to valuation of such ChipMOS Taiwan ADS held was credited to an investment reserve account, instead of being recognised through the profit and loss of the Group's consolidated interim income statement, which was the case for the corresponding interim period in 2016.

As at the date of this announcement, the Company is still in the process of finalising the Group's interim results for the 2017 Interim Period ("**Interim Results**"). The information contained in this announcement is only based on the preliminary assessment by the Board according to the Management Accounts which have not been reviewed or audited by the Company's auditors nor approved by the Company's audit committee.

Shareholders and potential investors of the Company are advised to read carefully the Interim Results announcement to be published on 4 August 2017 and the 2017 interim report of the Company to be published subsequently.

With the publication of the Joint Announcement in relation to, among other things, the Offer, the offer period has commenced since 10 July 2017. Therefore, the profit warning for the 2017 Interim Period ("**Profit Warning**") contained in this announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and therefore would need to be reported on by a financial adviser and the reporting accountants of the Company and their reports would have to be lodged with the Executive. The Profit Warning must be repeated in full together with the reports to be included in the next document (i.e. the Composite Document) to be sent to the Shareholders as stipulated under Rule 10.4 of the Takeovers Code, if the Composite Document is despatched before the publication of the Interim Results.

However, pursuant to practice note 2 issued by the Executive ("**PN2**"), the Profit Warning is permitted to be published without full compliance with Rule 10.4 of the Takeovers Code because the only reason for publication of the Profit Warning is that it is required by laws and regulations as mentioned above (and is not otherwise proposed to be published by the Company) and faced with time constraints, the Company has encountered genuine practical difficulties in meeting the reporting requirements set out in the said Rule 10.4 of the Takeovers Code, having regard to the inside information provisions pursuant to Part XIVA of the SFO to publish the Profit Warning as soon as practicable.

As stated in the Joint Announcement, the Composite Document is expected to be despatched on or before 31 July 2017, as additional time is required to prepare the Interim Results announcement, the Company and the Offeror will jointly seek the consent of the Executive for an extension of the time limit for the despatch of the Composite Document to 14 August 2017. The Interim Results announcement is expected to be published on 4 August 2017.

Pursuant to PN2, the entire Interim Results (including its notes to the financial statements) will be set out in the Composite Document and the Interim Results will not be reported on, given the published Interim Results will fall under the ambit of Rule 10.9 of the Takeovers Code.

Attention is drawn to the fact that the Profit Warning contained in this announcement has not been reported on in accordance with Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10, the Profit Warning therefore should not be relied upon as a forecast of any future profitability of the Group. Accordingly, Shareholders and investors should exercise caution when interpreting this announcement or when placing reliance on the Profit Warning in assessing the merits or demerits of the voluntary conditional cash offer as set out in the Joint Announcement.

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
PacRay International Holdings Limited
Cheng Chow-Chun
Chairman

Hong Kong, 27 July 2017

As at the date of this announcement, the Board comprises seven Directors. The executive Directors are Mr. Cheng Chow-Chun, Mr. Lee Chao-Chun, Mr. Sun Tao-Heng and Mr. Yuan Chun-Tang, and the independent non-executive Directors are Mr. Suen Sai Wah Simon, Mr. Li Kwan In, and Mr. Wang Chiang-Ming.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.