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APEX ACE

APEX ACE HOLDING LIMITED

光麗科技控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6036)

PROFIT WARNING

This announcement is made by Apex Ace Holding Limited (the “**Company**”, together with its subsidiaries, 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (the “**Year**”) and the information currently available to the Board, the Group is expected to record a net loss attributable to shareholders of the Company (the “**Shareholders**”) for the Year within a range of HK\$7.0 million to HK\$15.0 million as compared to the net profit attributable to Shareholders of HK\$22.6 million for the year ended 31 December 2018 (the “**Last Year**”).

The expected loss was primarily attributable to: (i) the significant drop in sales revenue of the Group to approximately HK\$1,949.2 million (sales revenue for the Last Year: HK\$3,717.6 million), representing a decrease of approximately 47.6%, which was mainly due to a reduction in the number of purchase orders received by our Group and deteriorated market conditions driven by the ongoing US-China trade war; (ii) the recognition of an impairment loss arising from the loss allowance on the expected credit losses of the Group’s trade receivables, (iii) an expected provision for impairment in the Group’s inventory resulting from a drop in the net realisable value of certain portion of the inventory of the Group, and (iv) increase in distribution and selling expenses.

The Group is still in the process of finalising its consolidated annual results for the Year. As such, this announcement is made solely on the basis of a preliminary assessment by the Board with reference to the information currently available to it, including the unaudited consolidated management accounts of the Group for the Year available for the time being and is not based on any figure or information audited or reviewed by the Company’s independent auditors, and may be subject to changes. Shareholders and potential investors are advised to refer to the details in the annual results of the Company for the Year which is expected to be announced in March 2020 in compliance with the Listing Rules.

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
Apex Ace Holding Limited
Lee Bing Kwong
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 24 January 2020

As at the date of this announcement, the executive Directors are Mr. Lee Bing Kwong (Chairman and Chief Executive Officer), Mr. Lo Yuen Kin and Ms. Lo Yuen Lai; and the independent non-executive Directors are Mr. Cheung Siu Kui, Mr. Yim Kwok Man and Dr. Chow Terence.

* *For identification purpose only*