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HNA Technology Investments Holdings Limited
海航科技投資控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2086)

PROFIT WARNING

This announcement is made by HNA Technology Investments Holdings Limited (the “**Company**”, together with its subsidiaries, 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 (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 of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the currently available unaudited consolidated management accounts of the Group for the year ended 31 December 2020, the Group is expected to record a net loss of approximately HK\$22.4 million for the year ended 31 December 2020, as compared with the net loss of HK\$8.3 million for the year ended 31 December 2019. The increase in net loss is mainly attributable to the following factors:

- (i) a decrease in revenue of the Group which is heavily affected by the outbreak of novel coronavirus (COVID-19) pandemic since early 2020, mainly due to most of the governments shifted their focus on medical and vaccine spending, and therefore certain government projects were either postponed or cancelled during the year. At the same time, the China-United States trade war has a huge impact on the Company. Hence, the sales for our products have dropped, leading to the decrease in revenue during the year;
- (ii) an increase in provision for impairment loss on development costs (which were recorded as intangible assets) of approximately HK\$5.7 million (2020: HK\$5.7 million, 2019: HK\$nil). During the year, the Company assessed the sales status of certain projects developed earlier was not as good as expected. Therefore, the net book value of those projects was written down; and

- (iii) an increase in write down of inventories of approximately HK\$6.2 million (2020: HK\$7.0 million, 2019: HK\$0.8 million). During the year, the Company performed an in-depth review on the inventories and considered that certain inventories have fallen behind the market demand and cannot achieve revenue through sales. Therefore, the net book value of those inventories was written down.

The Company is still in the process of finalising the Group's annual results for the year ended 31 December 2020. This announcement is made solely on the basis of the preliminary assessment made by the management of the Group with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, which have not been audited or reviewed by the Company's auditor and are subject to finalisation and adjustments. Further details of the Group's performance will be provided in an announcement of the annual results of the Group for the year ended 31 December 2020, which is expected to be published by the end of March 2021. Shareholders and potential investors are advised to refer to the details of the annual results announcement for the year ended 31 December 2020 of the Company when it is published.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board of
HNA Technology Investments Holdings Limited
Jiang Hao
Chairman

Hong Kong, 12 March 2021

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Jiang Hao, Mr. Xu Jie, Mr. Wang Jing, Mr. Peng Zhi and Mr. Wong Chi Ho, one non-executive director, namely Mr. Kwan Kin Man Keith and three independent non-executive directors, namely Mr. Guo Dan, Dr. Lin Tat Pang and Ms. O Wai.