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Innovativity To Productivity

PRODUCTIVE TECHNOLOGIES COMPANY LIMITED

普達特科技有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

PROFIT WARNING

This announcement is made by Productive Technologies Company Limited (the “**Company**”) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the latest unaudited consolidated management accounts of the Company and its subsidiaries for the six months ended 30 September 2022 (the “**Reporting Period**”) and the information currently available to the Board, the net loss attributable to the equity shareholders of the Company is expected to significantly reduce from approximately HK\$199.8 million for the six months ended 30 September 2021 to approximately HK\$43.0 million for the Reporting Period, primarily attributable to (1) the administrative and research and development (“**R&D**”) expenses of approximately HK\$75.3 million resulted from the rapid development and expansion of the Company’s new advanced manufacturing business in semiconductor and solar industry, including the awarded shares granted to its employees recognized as administrative and R&D expenses and the R&D for 6 to 12 inches single wafer clean equipment and high WPH (“**Wafer Per Hour**”) solar wet equipment, which shall become a major product of the Company; and (2) finance costs of approximately HK\$16.3 million which mainly include a foreign exchange loss resulted from the depreciation of RMB against HKD for the Reporting Period.

The significant narrow down of such loss as compared to that for the corresponding period of 2021 was mainly attributable to that: (1) investment income of approximately HK\$20.3 million was recognized from the investment in Stonehold Energy Corporation (“**Stonehold**”) during the Reporting Period upon Stonehold’s disposal of its underlying assets in July 2022 (for the six months ended 30 September 2021: investment loss of approximately HK\$294.0 million); and (2) the net loss was partially offset by new gross profit contribution from the advanced manufacturing business since September 2022 and the increase in gross profit from Hongbo Mining Development Company Limited’s crude oil sales business totaling HK\$44.6 million.

The Company is in the course of preparing its unaudited interim results for the Reporting Period. The information contained in this announcement is only a preliminary assessment by the Board based on the latest unaudited consolidated management accounts of the Company and its subsidiaries and the latest information currently available. Such information has not been audited or reviewed by the Company’s auditor or its audit committee and will be subject to change and finalization. Shareholders and potential investors are advised to refer to the details in the unaudited interim results announcement of the Company to be published on 25 November 2022.

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

By Order of the Board
Productive Technologies Company Limited
Liu Erzhuang
Chairman and Chief Executive Officer

Hong Kong, 14 November 2022

As at the date hereof, the Board comprises seven Directors, of whom three are executive Directors, namely Dr. Liu Erzhuang (Chairman), Mr. Tan Jue and Mr. Liu Zhihai; one is non-executive Director, namely Mr. Cao Xiaohui; and three are independent non-executive Directors, namely Ms. Ge Aiji, Mr. Shi Cen, and Mr. Chau Shing Yim David.

* *For identification purposes only*