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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)

ANNOUNCEMENT

Reference is made to the annual report of PacRay International Holdings Limited (the “**Company**”) for the year ended 31 December 2021 published on 28 April 2022 (“**Annual Report**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Annual Report.

In the Annual Report, it was disclosed that the Group acquired a 20.2% equity interest in the Red Power Group (the “**Associate**”), which is engaged in the provision of air transportation services, development, sales, lease and maintenance of equipment involving the application of aviation technology in the PRC (the “**Investment**”). An impairment of HK\$20.3 million was made on this Investment. The Company wishes to provide more information to shareholders and investors on the impairment of the Investment.

At the time of the Investment, the Associate held various licenses in the PRC to carry on its aviation and related business as well as had employed between 80 to 90 staff members to run such operations. The Company understood that for the financial year ended 2020, the Associate was profitable. In early 2021, the Associate's business began to deteriorate as a result of the change in the management of the Associate as well as the COVID-19 pandemic had lasted longer than initially anticipated and had an adverse impact on the aviation business and therefore the financial performance of the Associate. The Company understands that the new management of the Associate had tried to solicit new business opportunities as well as put in place cost cutting measures. In around February 2022, the Company sought to obtain the management accounts of the Associate in order for the Company to prepare its consolidated accounts for the financial year ended 31 December 2021. Despite repeated requests, no financial information could be obtained by the Company on the Associate and the management of the Associate were not contactable. The Company also became aware that almost all of the employees of the Associate had been made redundant and the Associate had ceased business by the end of 2021. As a result, the Company determined to make an impairment on its investment in the Associate.

By Order of the Board of
PacRay International Holdings Limited
Li Weina
Executive Director

Hong Kong, 28 November 2022

As at the date of this announcement, the Board of the Company comprises six Directors. The executive Directors are Ms. Li Weina, Mr. Wang Yi and Mr. Zhang Fumin; and the independent non-executive Directors are Ms. Ching Ching, Dr. Song Donglin and Dr. Zhang Shengdong.