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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 (the “**Group**”) for the year ended 31 March 2023 (“**FY2022**”) and the information currently available to the Board, the Group is expected to record a net loss attributable to the equity shareholders of the Company of approximately HK\$222.5 million (FY2021: loss of HK\$403.8 million).

The estimated net loss attributable to the equity shareholders of the Company for FY2022 is primarily attributable to the administrative and research and development (“**R&D**”) expenses of approximately HK\$218.3 million in relation to the rapid development and expansion of the Company’s new pan-semiconductor 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 cleaning equipment and high WPH (Wafer Per Hour) solar wet processing equipment, which shall become a major product of the Company.

The significant narrow down of such loss as compared to that for the corresponding year ended 31 March 2022 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 FY2022 upon Stonehold’s disposal of its underlying assets in July 2022, representing a change from the investment loss of HK\$362.4 million recognized in the previous year; (2) investment income of approximately HK\$13.4 million was recognized from investment in Jiangxi Jovo Energy Company Limited* (“**JOVO**”), compared with investment income of approximately HK\$144.6 million in the previous year attributable to JOVO’s successful completion of IPO and commencement of trading on the Shanghai Stock Exchange in May 2021; (3) reduction in investment loss of approximately HK\$63.1 million from fair value changes in investment projects and the interest pickup in associates; and (4) the net loss caused by the increase of administrative and R&D expenses stated above was partially offset by new gross profit contribution from the pan-semiconductor business since September 2022 and the increase in gross profit from Xilin Gol League Hongbo Mining Development Company Limited*’s crude oil sales business totaling approximately HK\$76.1 million.

The Company is in the course of preparing its final results for FY2022. The information contained in this announcement is only a preliminary assessment by the Board based on the latest unaudited consolidated management accounts of the Group 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 audited final results announcement of the Company to be published on 29 June 2023.

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, 12 June 2023

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. Chau Shing Yim David, and Mr. Wang Guoping.

* *For identification purposes only*