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Hi-Level Technology Holdings Limited
揚宇科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8113)

PROFIT WARNING

This announcement is made by Hi-Level Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform its shareholders and potential investors that, based on the preliminary assessment with reference to the unaudited consolidated management accounts of the Company, the Company is expected to record a loss attributable to owners of the Company of approximately HK\$65,000,000 to HK\$70,000,000 for the year ended 31 December 2022 as compared to the loss attributable to owners of the Company of HK\$46,954,000 for the year ended 31 December 2021. Such loss was mainly attributable to following reasons: -

- (a) the decline in revenue due to weak demand in the consumer electronic market caused by unfavorable global business environment such as rising inflation worldwide and interest rate hikes in the US; and
- (b) certain loss-making shipments recorded in the third and fourth quarters of 2022 related to downwards trends of prices of panels and panel modules due to oversupply and fierce price competition; and
- (c) impairment losses of the Company’s closing inventory as of 31 December 2022.

Despite that the Group is expected to record the above loss, after the Group implemented strict inventory control measures to reduce its closing inventory level as at 31 December 2022 to normal level, the Board believes that further material negative impacts on financial position and cash flow of the Group are limited.

It should be noted that the information contained in this announcement is only a preliminary assessment made by the Board based on the information currently available to the Company with reference to the unaudited consolidated management accounts of the Company and the information currently available to the Company, which have not been audited or reviewed by the Company's auditor and/or audit committee of the Company and may therefore be subject to changes. Shareholders of the Company and potential investors should read the Group's annual results announcement for the year ended 31 December 2022 carefully, which is expected to be published by end of March 2023.

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

By Order of the Board
Hi-Level Technology Holdings Limited
Dr. Yim Yuk Lun, Stanley BBS JP
Chairman

Hong Kong, 31 January 2023

As at the date of this announcement, the Board comprises four executive directors, namely Dr. Yim Yuk Lun, Stanley BBS JP, Mr. Chang Wei Hua, Mr. Wei Wei and Mr. Tong Sze Chung; one non-executive director; Mr. Wong Wai Tai and three independent non-executive directors; namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Tsoi Chi Ho, Peter.

This announcement, for which the directors (the "Directors") of the Company collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.hi-levelhk.com.