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TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED

致豐工業電子集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1710)

PROFIT WARNING

This announcement is made by Trio Industrial Electronics Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, 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 the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2021, which have not been reviewed or audited by the independent auditor and/or the audit committee of the Company, and taking into consideration the sales and shipping plan of the Group for December 2021 and the information currently available to the Board, the Group is expected to record a loss attributable to equity holders of the Company of not more than HK\$20.0 million for the year ending 31 December 2021 as compared to a profit attributable to equity holders of the Company of HK\$28.9 million for the corresponding period of 2020. The expected loss is mainly due to the following reasons:

1. the Group’s revenue growth has been undermined by severe disruption of global supply chains and material shortages, affecting its ability to meet customers’ demands;
2. soaring material costs due to prolonged shortage of key components worldwide;
3. escalating freight and transportation charges driven by container shortages and COVID-19 control measures taken by governments around the world;
4. higher direct labour costs as a result of the re-arrangement of production activities following the electricity rationing in Guangdong province, the People’s Republic of China and unstable supply of materials; and
5. increase in overall operating costs derived from the appreciation of Renminbi.

As the Company has not yet prepared the consolidated financial results of the Group for the year ending 31 December 2021, the information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2021, which have not been reviewed or audited by the independent auditor and/or the audit committee of the Company. The actual financial results of the Group for the year ending 31 December 2021 may differ from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully about the announcement of the Company for the annual results for the year ending 31 December 2021, which is expected to be published in March 2022 in accordance with the requirements of the Listing Rules.

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

On behalf of the Board
Trio Industrial Electronics Group Limited
Lai Yiu Wah
Chairman and executive Director

Hong Kong, 23 December 2021

As at the date of this announcement, the Board comprises Mr. Lai Yiu Wah, Mr. Tai Leung Lam and Mr. Joseph Mac Carthy as executive Directors, Mr. Fung Chun Chung, Mr. Cheung Kin Wing and Mr. Wong Raymond Fook Lam as independent non-executive Directors.