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O-NET TECHNOLOGIES (GROUP) LIMITED

昂納科技（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 877)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors of the Company that, based on the preliminary review on the unaudited management accounts of the Group for the six months ended 30 June 2020 and financial information currently available to the Board, it is anticipated that the profit attributable to equity holders of the Company for the six months ended 30 June 2020 would significantly decrease as compared with the six months ended 30 June 2019.

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

This announcement is made by O-Net Technologies (Group) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review on the unaudited management accounts of the Group for the six months ended 30 June 2020 and financial information currently available to the Board, it is anticipated that the profit attributable to equity holders of the Company for the six months ended 30 June 2020 (“**1H2020**”) would decrease by 40% to 50% as compared with that of for the six months ended 30 June 2019. The Board considers the decrease in profit attributable to the equity holders of the Company in 1H2020 was mainly due to:

- i) ***The COVID-19 pandemic causing delay in shipment of orders:*** With the outbreak of COVID-19 affecting many countries around the world, its disruption and negative impact on the global economy and industry supply chains remains uncertain.
- ii) ***Shortage of labour:*** The public health measures put in place in many countries to prevent the spread of the COVID-19 pandemic have disrupted the Group's production causing the temporary suspension of operations in both some of our factories and our suppliers' factories. Such polices as the lockdowns, quarantine, social distancing and other pandemic containment measures have inevitably reduced the Group's production capacity and efficiency, and incurred incremental costs and exceptional expenses, contributing to the adverse material impact on both the operating and net profit of the first half of 2020.
- iii) ***Write-off of obsolete inventories:*** Due to the rapid development of competing technologies, certain products sold by the Group are no longer competitive with the market and have to be written-off.

As the Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2020, the information contained in this announcement is only based on the preliminary assessment by the management of the Group with reference to the financial information currently available, and that the actual results for the Group may be different from what is disclosed in this announcement. Further details of the Group's performance will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2020 which is expected to be published before 31 August 2020.

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

By Order of the Board
O-Net Technologies (Group) Limited
Na Qinglin
Chairman and Chief Executive Officer

Hong Kong, 21 July 2020

As at the date of this announcement, the executive Director is Mr. Na Qinglin, the non-executive Directors are Mr. Chen Zhujiang, Mr. Huang Bin and Mr. Mo Shangyun, and the independent non-executive Directors are Mr. Deng Xinping, Mr. Ong Chor Wei and Mr. Zhao Wei.