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CHINA OPTO
HOLDINGS LIMITED

China Opto Holdings Limited

中國新進控股有限公司

(Incorporated in Bermuda with limited liability)

Website: www.chinaopto.com.hk

(Stock Code: 1332)

PROFIT WARNING

This announcement is made by China Opto Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2016 and the information currently available, the Group expects to record a substantial loss of approximately HK\$1 billion for the financial year ended 31 December 2016, as compared with a profit recorded for the financial year ended 31 December 2015.

The substantial loss is primarily attributable to the following:

- (i) a loss from the securities trading and investments of approximately HK\$361 million due to the volatile equity market performance;
- (ii) a loss of approximately HK\$56 million from the subsidiaries engaging in apparel products business, which had been disposed of before the financial year ended 31 December 2016, due to weak retail market spending;
- (iii) a provision for impairment losses on unlisted investments due to a decrease in assets value of the unlisted investments; and
- (iv) a provision for impairment of goodwill on newly acquired subsidiaries principally engaged in provision for QR codes packaging due to a decrease in sale orders on QR codes packaging products.

The above impairment losses were non-cash in nature and would not constitute any immediate impact on the cash flow and business operations of the Group.

The information contained in this announcement is only based on a preliminary assessment by the Board based on the Group's unaudited consolidated management accounts of the Group for the year ended 31 December 2016 and information currently available. Such information has not been audited or reviewed by the Company's auditors, and is subject to possible adjustment arising from further internal review by the Board and the auditors of the Company. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the annual results of the Group for the year ended 31 December 2016, which is expected to be released in March 2017.

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

By order of the Board
China Opto Holdings Limited
Wang Liang
Chairman

Hong Kong, 6 February 2017

As at the date of this announcement, the Board comprised the following directors: -

Executive Directors

Mr. Wang Liang (*Chairman*)
Mr. Du Dong
Mr. Lo Yuen Wa Peter

Non-executive Director

Mr. Chen Hui

Independent Non-executive Directors

Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen