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Vital Innovations Holdings Limited

維太創科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6133)

PROFIT WARNING

This announcement is made by Vital Innovations Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) 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 under the Listing Rules) under 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**”) hereby inform the shareholders and potential investors of the Company that, based on the information currently available to the Board and the preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2020 (the “**2020 Interim Period**”), it is currently expected that the Group may record a net loss of not less than RMB71 million for the 2020 Interim Period, as compared to a net profit of RMB2.3 million for the six months ended 30 June 2019 (the “**2019 Interim Period**”). Based on information currently available to the Board, the turnaround from profit to loss for the 2020 Interim Period as compared to the 2019 Interim Period was primarily attributable to (i) a loss of approximately RMB63 million in relation to the sales of AI and other equipment due to the worldwide pandemic and worsening trade environment, and the deteriorating trade war between China and the USA during the first half of 2020, which resulted in most market players having revised their business plans to avoid taking positions under the current market conditions; (ii) a decrease in interest income on bank deposits of approximately RMB7 million for the 2020 Interim Period; and (iii) the lockdown and social distancing measures imposed by China and Hong Kong to contain the spread of novel coronavirus. These measures had caused certain degree of interruption to the Group’s supply chain logistics and business plans. As a result, the Group’s revenue in sale of mobile telecommunication devices for the 2020 Interim Period is expected to be decreased by approximately 36% as compared with the 2019 Interim Period.

It should be noted that the Company is still in the process of finalising the interim results of the Group for the 2020 Interim Period. The information contained in this announcement is only based on preliminary assessments made by the Board with reference to the information currently available, which have not been reviewed by the Company's auditors and the audit committee of the Company and may be subject to changes. Shareholders and potential investors of the Company are therefore advised to read carefully the interim results announcement of the Company for the 2020 Interim Period to be published by the late 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
Vital Innovations Holdings Limited
Rong Xiuli
Chairperson and Executive Director

Hong Kong, 14 August 2020

As at the date of this announcement, the executive directors of the Company are Ms. Rong Xiuli, Mr. Rong Shengli, Mr. Yin Xuquan and Mr. Wong Ho Chun; and the independent non-executive directors of the Company are Mr. Hon Kwok Ping Lawrence, Mr. Lam Yiu Kin and Mr. Han Xiaojing.