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AUX INTERNATIONAL HOLDINGS LIMITED

奧克斯國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2080)

PROFIT WARNING

This announcement is made by AUX International Holdings 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the 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 of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 (the “**Management Accounts**”), the Group expects to record an unaudited consolidated loss for the six months ended 30 September 2020 of not less than HK\$5.0 million as compared to the unaudited consolidated profit for the six months ended 30 September 2019 of approximately HK\$18.4 million.

The Board considers that the expected loss is mainly attributable to the following factors:

- (1) the decrease in revenue of approximately HK\$26.9 million of the lifestyle entertainment segment, which resulted mainly from the undesirable market and operating conditions of the Group’s clubbing and restaurant business in Hong Kong caused by the outbreak of COVID-19; and
- (2) the incurrence of a net exchange loss of approximately HK\$3.9 million in respect of the Renminbi (“**RMB**”) denominated loan from controlling shareholder as a result of the appreciation of RMB against Hong Kong dollars during the six months ended 30 September 2020, as compared with a net foreign exchange gain of approximately HK\$6.8 million for the six months ended 30 September 2019; and
- (3) the impairment loss on goodwill of approximately HK\$7.3 million recorded in the six months ended 30 September 2020 as a result of the negative impact caused by the COVID-19 towards the restaurant and bar outlets.

The Company is still in the process of preparing the interim results of the Group for the six months ended 30 September 2020. The information as set out above is only based on the preliminary assessment by the Board of the information currently available to it, including the Management Accounts among others, which has yet to be confirmed or audited or reviewed by the auditors of the Company and may be subject to change(s) or adjustment(s). The unaudited consolidated interim results of the Group for the six months ended 30 September 2020 are expected to be announced by the Company before the end of November 2020.

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

By order of the Board
AUX International Holdings Limited
Zheng Jiang
Chairman

Hong Kong, 11 November 2020

As at the date of this announcement, the executive Directors are Mr. Zheng Jiang, Mr. Chan Hon Ki, Mr. Liang Songluan and Ms. Shen Guoying, and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Bau Siu Fung and Ms. Lou Aidong.