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**RISECOMM**

**瑞斯康**

**RISECOMM GROUP HOLDINGS LIMITED**

**瑞斯康集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1679)**

## **PROFIT WARNING**

This announcement is made by Risecomm Group Holdings Limited (the “**Company**” and 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 (the “**Listing Rules**”) and 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).

Based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**year under review**”) and other information currently available to the board (the “**Board**”) of directors (“**Directors**”) of the Company, the Board would like to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, the Group expects to record an increase in net loss by not less than approximately 130% as compared to the net loss of approximately RMB55.3 million for the year ended 31 December 2021. Based on the information currently available to the Board, the expected increase in net loss for the year under review was primarily due to the following factors:

- (i) impairment losses on goodwill and intangible assets arising from the Group’s acquisitions of Green Harmony Limited were recognised after reassessment of the financial budgets of the Smart Manufacturing & Industrial Automation (“**SMIA**”) business in light of the recent expectation of market development in the short and medium run, and the unanticipated limitation imposed upon the Group in project sourcing and project delivery during the year under review as a consequence of China’s highly restrictive COVID-19 pandemic control measures; and
- (ii) a net allowance for impairment losses on financial assets for the year under review was recognised as compared to the recognition of a net reversal for impairment losses on financial assets for the year ended 31 December 2021. The net allowance for impairment losses during the year under review was mainly made in respect of the long outstanding trade receivables from the Group’s SMIA business segment, which was mainly caused by the prolonged late payment from the major customers and the difficulty of initiating recovery action or discussion with them as a consequence of China’s highly restrictive COVID-19 pandemic control measures.

The information contained in this announcement is only based on preliminary assessment by the Company of its unaudited consolidated management accounts for the year under review and the information currently available to it, which has not been confirmed or reviewed by the Company's auditor or audit committee and may be subject to adjustments.

The Group is still in process of finalising the audited consolidated annual results for the year under review, subject to the final results of assessment and valuation against the Group's relevant assets which may differ from those disclosed in this announcement.

Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year under review which is expected to be published by the end of March 2023 in compliance with the Listing Rules.

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

By order of the Board  
**Risecomm Group Holdings Limited**  
**Yue Jingxing**  
*Chairman and executive Director*

Hong Kong, 22 March 2023

*As at the date of this announcement, the executive Directors are Mr. Yue Jingxing, Mr. Lau Wai Leung, Alfred and Mr. Jiang Feng, the non-executive Directors are Mr. Yu Lu and Mr. Ding Zhigang and the independent non-executive Directors are Mr. Ong King Keung, Ms. Lo Wan Man and Mr. Zou Heqiang.*