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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**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (“**Shareholders**”) of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and other information currently available to the Board, the Group is expected to incur a net loss of not less than RMB50 million for the six months ended 30 June 2020 as compared with the net loss of approximately RMB41 million for the corresponding period in 2019.

Based on the information currently available to the Board, the net loss for the six months ended 30 June 2020 is mainly attributable to the following factors:

- (i) the Group experienced (a) a decrease in demand for the Group’s power line communication (“**PLC**”) based narrowband automated meter reading (“**AMR**”) products by State Grid Corporation of China (“**State Grid**”); and (b) a delay in debut of the Group’s PLC based broadband AMR products given the testing and processing time for the final approval run by the State Grid had taken longer than expected due to the outbreak of the coronavirus (COVID-19) pandemic in the People’s Republic of China in early 2020. Such delay in debut of the Group’s PLC based broadband AMR products led to a decrease in revenue generated from the Group’s AMR products under the centralized biddings conducted by State Grid and customers under State Grid local biddings and trading sales for the six months ended 30 June 2020 as compared to that of the corresponding period in 2019. Therefore, the Group recorded a significant decrease in revenue and gross profit in the AMR and other business segment of the Group for the six months ended 30 June 2020 as compared to that of the corresponding period in 2019; and

- (ii) an increase in general and administrative expenses for the six months ended 30 June 2020 as compared to that of the corresponding period in 2019 which is primarily attributable to impairment loss on trade receivables which are long aged and considered impaired.

The Group is still in the process of finalizing its consolidated interim results for the six months ended 30 June 2020. As such, this announcement is made solely on the basis of a preliminary assessment by the Board with reference to the information currently available to it, including the unaudited consolidated management accounts of the Group available for the time being and is not based on any figure or information audited or reviewed by the Company's independent auditors, and may be subject to changes. Shareholders and potential investors are advised to refer to details in the interim results of the Company for the six months ended 30 June 2020 which is expected to be announced by the end of August 2020 in compliance with the Listing Rules.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Risecomm Group Holdings Limited**  
**Cheung Fan**  
*Chairman and Non-executive Director*

Hong Kong, 7 August 2020

*As at the date of this announcement, the executive Directors are Mr. Yue Jingxing and Mr. Tang Andong, the non-executive Directors are Mr. Wang Shiguang, Mr. Cheung Fan, Mr. Zhou, Francis Bingrong and Ms. Pan Hong and the independent non-executive Directors are Mr. Ong King Keung, Ms. Lo Wan Man and Mr. Zou Heqiang.*