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SPROCOMM INTELLIGENCE LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1401)

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE IN RELATION TO RECENT OUTBREAK OF NOVEL CORONAVIRUS

This announcement is made by Sprocomm Intelligence Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company and potential investors informed of the latest business developments of the Group.

The Group’s headquarter is located in Futian District, Shenzhen. It has two production plants, of which one is located in Guangming, Shenzhen responsible for the mobile phone assembly (the “**Shenzhen Plant**”) and the other is located in Luzhou, Sichuan responsible for the production of PCBAs (the “**Luzhou Plant**”).

Since the outbreak of the novel coronavirus (the “**Coronavirus**”), a number of provinces and municipalities in the Peoples’ Republic of China have taken emergency public health measures and various actions to prevent the spread of the Coronavirus, including imposing restriction on resumption date of production after the Chinese New Year Holidays.

At present, the Group’s headquarter is actively preparing for business resumption under the guidance of the district administrative authority and the business resumption date will be subject to the written approval from the relevant government authority. Shenzhen Plant is gradually resuming production after three weeks’ production halt, whereas Luzhou Plant is waiting for the approval from the relevant government authority to resume production. Further, due to the suspension or limited service of transportation facilities in certain areas, certain workers in the affected provinces and municipalities are unable to return to the Group’s production plants as planned and the Group also expects delay in the supply of raw materials from its suppliers, which lead to (i) a significant drop in the Group’s production capacity; (ii) delay in resuming to original production schedule; and (iii) late delivery of products in the first half of 2020. Under such circumstances, the Group will work closely with its suppliers to speed up the delivery of raw materials and liaise with its customers to adjust delivery schedule to minimise any negative economic impact on both sides.

The aforesaid impact of the Coronavirus on the Group's business operations, which was beyond the control of the Group, may adversely affect the financial results of the Group for the six months ending 30 June 2020. The board of directors of the Company will continue to assess the impact of the Coronavirus on the Group's business operations and financial performance and closely monitor the Group's exposure to the risks and uncertainties in connection with the Coronavirus. The Group will take appropriate measures as necessary and make further announcements in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

By order of the Board
Sprocomm Intelligence Limited
Mr. Li Chengjun
Chairman and Executive Director

Hong Kong, 17 February 2020

As at the date of this announcement, the executive Directors are Mr. LI Chengjun, Mr. XIONG Bin, Mr. LI Hongxing and Mr. GUO Qinglin, and the independent non-executive Directors are Mr. HUNG Wai Man, Mr. WONG Kwan Kit, Mr. LU Brian Yong Chen and Ms. TSENG Chin I.