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SPROCOMM INTELLIGENCE LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1401)

PROFIT WARNING

This announcement is made by Sprocomm Intelligence Limited (the “**Company**” 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 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 the potential investors that, based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available to the Company, the Group expects that the net profit for the six months ended 30 June 2020 will decrease by 30% to 45% as compared with the corresponding period in 2019 (excluding the impact of listing expenses). The expected decrease in net profit is mainly due to: (i) the lockdown and social distancing measures imposed by many countries to contain the spread of novel coronavirus. These measures interrupted the Group’s supply chain logistics and production plans, which significantly reduced its production capacity and led to late delivery of products to its customers. As a result, the Group’s revenue for the six months ended 30 June 2020 is expected to decrease by 20% to 30% as compared with the corresponding period in 2019; (ii) the recognition of share-based payment expenses for the grant of share options on 14 April 2020; and (iii) certain operating costs of the Group remain fixed.

The information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. The actual financial results of the Group for the six months ended 30 June 2020 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be published in August 2020 in accordance with the requirements of 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
Sprocomm Intelligence Limited
Mr. Li Chengjun
Chairman and Executive Director

Hong Kong, 22 July 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.