

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SPROCOMM INTELLIGENCE LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1401)

POSITIVE PROFIT ALERT

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 2022 and information currently available to the Company, the Group expects that it will record a net profit ranging from approximately RMB6.0 million to approximately RMB9.0 million as opposed to a net loss of RMB34.1 million for the six months ended 30 June 2021.

The turnaround from loss to profit for the six months ended 30 June 2022 is mainly attributed to the improvement of the Group’s gross profit margin from approximately 7.4% for the six months ended 30 June 2021 to approximately 12.5% for the six months ended 30 June 2022. The improvement in the gross profit margin resulted from (i) the decrease in the costs of major raw materials; and (ii) the appreciation of USD against RMB during the six months ended 30 June 2022.

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 2022, 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 2022 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 2022, which is expected to be published in August 2022 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, 28 July 2022

As at the date of this announcement, the executive Directors are Mr. LI Chengjun, Mr. XIONG Bin, Mr. WEN Chuanchuan 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.