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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 year ended 31 December 2024 and information currently available to the Company, the Group expects to record a net profit in the range between RMB10.0 million to RMB18.0 million for the year ended 31 December 2024, as compared with RMB31.0 million for the year ended 31 December 2023. The expected decrease in net profit is mainly attributed to (i) a decrease in gross profit margin to approximately 8.8% for the year ended 31 December 2024 from approximately 10.6% for the year ended 31 December 2023, resulting from the Group’s strategic decision to lower the gross profit margin to secure sales orders from major customers; and (ii) an increase in administrative expenses.

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 year ended 31 December 2024, 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 year ended 31 December 2024 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2024, which is expected to be published in March 2025 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, 18 February 2025

As at the date of this announcement, the executive Directors are Mr. LI Chengjun, Mr. XIONG Bin, Mr. WEN Chuanchuan, Mr. GUO Qinglin, Mr. HE Wenyuan and Mr. CHAN Hoi Shu, and the independent non-executive Directors are Mr. HUNG Wai Man, Mr. WONG Kwan Kit, Mr. LU Brian Yong Chen, Ms. TSENG Chin I and Mr. CHING Khei Cheong Christopher.