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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 (the “Shareholders”) of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2017 and other information currently available to the Board, the Group is expected to record a significant decrease in profit attributable to the equity Shareholders as compared to that of the year ended 31 December 2016.

Based on the information currently available to the Board, the expected significant decrease in profit attributable to the equity Shareholders for the year ended 31 December 2017 was mainly attributable to the following factors:

- (i) the increase in general and administrative expenses incurred by the Group during the year ended 31 December 2017 as compared to that of the corresponding period in 2016, including but not limited to, an increase in non-recurring listing expenses; and an increase in professional fees incurred subsequent to the listing of the Company’s shares on the main board of The Stock Exchange of Hong Kong Limited in June 2017;
- (ii) an increase in research and development expenses which is in line with our planned research and development project progress;
- (iii) a decrease in revenue primarily in the automated meter reading (“AMR”) business segment which was attributable to industrial cyclical variability and a slower than expected pace of procurement of smart meters by State Grid in 2017, resulting a delay in delivery of confirmed orders; and

(iv) a decrease in gross profit margins of the Group for the year ended 31 December 2017 as compared to that of the corresponding period in 2016. Despite an increase in gross profit margins of smart energy management business for the year ended 31 December 2017, the gross profit margins of AMR business for the year ended 31 December 2017 decreased slightly as compared to that of the corresponding period in 2016 and which was mainly attributable to a decrease in revenue from sales of products to customers from meters manufacturers (which earned a relatively higher gross profit margin in general) for the year ended 31 December 2017. The decrease in such revenue was a result from (iii) above.

The Group is still in the process of finalizing its consolidated annual results for the year ended 31 December 2017. 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 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 amendments. Shareholders and potential investors are advised to refer to details in the annual results of the Company for the year ended 31 December 2017 which is expected to be announced by the end of March 2018 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**  
**Leung Ka Lok**  
*Company Secretary*

Hong Kong, 1 February 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Yue Jingxing, Mr. Wang Shiguang and Mr. Zhang Youyun, the non-executive directors of the Company are Mr. Ng Benjamin Jin-ping and Mr. Lau Wai Leung, Alfred and the independent non-executive directors of the Company are Mr. Pan Song, Mr. Chen Yong and Mr. Ong King Keung.*