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Renco Holdings Group Limited
融科控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Renco Holdings Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the information currently available to the Group and a preliminary assessment of the unaudited consolidated financial statements of the Group for the year ended 31 December 2023 (the “**Relevant Year**”), the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a decrease of approximately 31% in its consolidated loss after taxation for the Relevant Year to not less than HK\$322 million as compared with the loss after taxation of approximately HK\$466 million for the prior financial year ended 31 December 2022. The Board considers that the expected losses during the Relevant Year were mainly due to (i) the provision of losses on several overdue repayments of the financial assistances provided by the Group (the “**Overdue Financial Assistances**”) and additional provision of losses on certain overdue receivables under the litigation proceedings on the Overdue Financial Assistances of an aggregate of approximately HK\$211.55 million and (ii) the substantial fair value losses of approximately HK\$17.98 million arising from the adverse market price movements in the listed securities held by the Group at the fair value through its profit and loss.

The Company is still in the process of assessing and ascertaining the recoverability of certain assets of the Group to finalize the unaudited consolidated annual results of the Group for the Relevant Year. The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group, which had not been audited or reviewed by the Company’s auditors nor reviewed by the audit committee of the Company, and may be subject to further adjustments or amendments. Shareholders and potential investors are advised to read carefully the Group’s annual results announcement for the Relevant Year, which is expected to be published in due course.

The Board is of the opinion that the aforesaid impairment provisions for the investments in financial assets provided by the Group and the Overdue Financial Assurances were made in accordance with the requirements of the accounting standards. In order to lower the investment risks and reduce the losses, the Group endeavors to maximize the recovery of certain assets by disposing and restructuring the relevant investments in the financial assets and conducting lawsuits against debtors of the Overdue Financial Assurances or others.

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

By order of the Board
Renco Holdings Group Limited
Su Zhiyang
Company Secretary

Hong Kong, 21 March 2024

As at the date of this announcement, the Board comprises Mr. Li Yongjun (chairman of the Board), Mr. Cheok Ho Fung and Ms. Xing Mengwei being executive Directors; and Mr. Lau Fai Lawrence, Mr. Mak Kwok Kei and Mr. Xu Xinwei being independent non-executive Directors.