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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)

POSITIVE PROFIT ALERT

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 six months ended 30 June 2024 (the “**Relevant Period**”), the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a consolidated profit after taxation of no less than HK\$24 million for the Relevant Period, representing a significant improvement approximately 116% as compared with the loss after taxation of approximately HK\$154 million for the prior six months ended 30 June 2023. The Board considers that the consolidated profit after taxation during the Relevant Period were mainly due to an unaudited book gain of approximately HK\$239 million is expected to arise from the disposal of the entire equity interest in a subsidiary of the Company with distressed assets. In addition, the consolidated profit after taxation is partially offset by (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 approximately HK\$70 million in total and (ii) the unaudited losses of approximately HK\$130 million arisen as the result of the decrease in the operation of the printed circuit boards segment and treasury investments segment being affected by the current wide capital market fluctuations.

The Company is still in the process of assessing and ascertaining the recoverability of certain assets of the Group to finalize the unaudited consolidated interim results of the Group for the Relevant Period. 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 interim results announcement for the Relevant Period, which is expected to be published by the end of August 2024.

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 Assistances were made in accordance with the requirements of the accounting standards. In order to lower the investment risks and reduce the losses, the Group puts its best efforts into maximizing the recovery of certain assets by restructuring the relevant investments in the financial assets and conducting lawsuits against debtors of the Overdue Financial Assistances 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, 28 August 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.