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RENHENG ENTERPRISE HOLDINGS LIMITED

仁恒實業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3628)

PROFIT WARNING

This announcement is made by RENHENG Enterprise Holdings Limited (the “**Company**”, together with its subsidiaries 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 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 “**Director(s)**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Relevant Period**”), the Group is expected to record a loss after tax of the range from approximately HK\$1.9 million to approximately HK\$2.3 million for the Relevant Period, as compared to that of profit after tax of approximately HK\$1.7 million for the six months ended 30 June 2021 (the “**Corresponding Period**”).

The Board believes that the primary reason for abovementioned loss is mainly attributable to the changes of composition of the revenue during the Relevant Period. No revenue was generated from pre-pressing packing system for the Relevant Period, which contributed higher gross profit margin in the Corresponding Period, as a possible result of the temporary shifting the needs of the customers in the market of special-purpose tobacco machinery products during the Relevant Period, so the Company was to focus on the developments and business expansions of the other products, construction contracts of casing and flavoring system. This change in revenue composition for the Relevant Period causes the drop in gross profit margin of approximately 7.5 percentage points with a comparison to that for the Corresponding Period.

The Board wishes to emphasize that as the Company is still in the process of finalizing the Group's interim results for the Relevant Period, the information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group for the Relevant Period. Such information has not been audited or reviewed by the auditors of the Company. As such, the final results for the Relevant Period may be different from what is disclosed in this announcement.

Details of the financial results and performance of the Group for the Relevant Period will be disclosed in the interim results announcement of the Company, which is expected to be published by the end of August 2022.

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

By order of the Board
RENHENG Enterprise Holdings Limited
Liu Li
Chairman and Chief Executive Officer

Hong Kong, 10 August 2022

As at the date of this announcement, the Board comprises Ms. Liu Li and Mr. Xu Jiagui as executive Directors and Dr. Lam, Lee G., Mr. Kong Hing Ki and Mr. Wu Wei as the independent non-executive Directors.