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## **Howkingtech International Holding Limited**

**濠暎科技國際控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2440)**

### **PROFIT WARNING**

This announcement is made by Howkingtech International Holding Limited (the “**Company**” and 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 and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, 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 potential investors that, based on a preliminary review of the management accounts of the Group for the year ended 31 December 2024 (“**FY2024**”) and the information currently made available to the Board, the Group is expected to record a decrease in its revenue for FY2024 by 75% to 85% compared to approximately RMB440.6 million for the year ended 31 December 2023 and an adjusted net loss (which is not Hong Kong Financial Reporting Standards measure) for FY2024 of RMB55.0 million to RMB70.0 million compared to an adjusted net profit of approximately RMB36.0 million for the year ended 31 December 2023. Such estimated decrease in revenue during FY2024 is mainly attributable to (i) a decrease in revenue from data transmission and processing services because the Group’s clients in the IoT industry have delayed their projects taking into consideration of their concerns in cashflows and uncertainty in macroeconomic condition; and (ii) a decrease in revenue from sales of equipment due to the lack of customer demand during FY2024. The aforesaid estimated decrease in revenue, together with (i) a decrease in gross margin as a result of the intensified market competition; and (ii) an increase in impairment losses on trade receivables due to slower collection, resulted in the estimated adjusted net loss position of the Group for FY2024.

The Board considers that the presentation of adjusted net profit (which is not Hong Kong Financial Reporting Standards measure) would facilitate comparisons of the Group’s performance from year to year by eliminating the potential impact of certain items. The adjusted net profit is defined as net profit for the period adjusted by excluding the effect of equity-settled share option and award expenses.

The information contained in this announcement is only based on a preliminary assessment of the unaudited consolidated management accounts of the Group for FY2024 and has not been audited nor reviewed by the auditors of the Company. As at the date of this announcement, the consolidated results of the Group for FY2024 have not been finalized, and may be subjected to adjustment upon further review. Shareholders and potential investors of the Company should refer to the Group's annual results announcement for FY2024 (the “**FY2024 Annual Results**”), which is expected to be published by the end of March 2025.

Reference is made to the joint announcements dated 24 January 2025 and 27 January 2025 issued by Home Office Development Limited (the “**Offeror**”) and the Company, in relation to, among others, the mandatory unconditional cash offers (the “**Offers**”) by Lego Securities Limited for and on behalf of the Offeror to acquire all the issued shares of and to cancel all outstanding share options of the Company (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it). Pursuant to Rule 10 of the Code on Takeovers and Mergers (the “**Takeovers Code**”), the profit warning statement in respect of the unaudited results of the Group for FY2024 included in this announcement (the “**Profit Warning Statement**”) constitutes a profit forecast of the Company and is required to be reported on by the Company's independent financial adviser and its auditors in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules), the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code. Pursuant to Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit warning statement for the purpose of Rule 10 of the Takeovers Code is published first in an announcement (which is the Company's case), it must be repeated in full, together with the reports from the issuer's independent financial advisers and auditors on such profit warning statement, in the next document to be sent to the shareholders (the “**Shareholders' Document**”). Accordingly, the Profit Warning Statement contained in this announcement shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the next Shareholders' Document to be sent to the shareholders of the Company. However, in the event that the FY2024 Annual Results which fall within the ambit of Rule 10.9 of the Takeovers Code are published prior to the despatch of the next Shareholders' Document and the FY2024 Annual Results together with the notes to the financial statements are included in the next Shareholders' Document, the requirement under Rule 10 of the Takeovers Code to report on the Profit Warning Statement contained in this announcement will no longer apply.

**Shareholders and potential investors should note that the Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code, and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors are advised to exercise caution when placing reliance on the Profit Warning Statement in assessing the merits and demerits of Offers and when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

By order of the Board  
**Howkingtech International Holding Limited**  
**CHEN Ping**  
*Chairman and executive Director*

Hong Kong, 21 February 2025

*As of the date of this announcement, the executive Directors are Dr. Chen Ping, Ms. Wang Zheshi, Mr. Feng Yijing and Mr. Wang Jun; and the independent non-executive Directors are Mr. Gu Jiong, Mr. Yang Hai and Mr. Fong Wo, Felix.*

*All Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*

\* *For identification purpose only*