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Eternity Technology Holdings Limited

恒達科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1725)

PROFIT WARNING

This announcement is made by Eternity Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, the Group expects to record a decline in its net profit by approximately 20% to 30% for the six months ended 30 June 2019 as compare with the Group’s adjusted profit of RMB24.6 million (which excludes the listing expenses of approximately RMB7.2 million) for the corresponding period in 2018 despite a slight increase in revenue.

The Board believes that the decline in the net profit for the six months ended 30 June 2019 was due to the decrease in gross profit. The main reasons are:

- (i) We continue to offer more competitive price to our mPOS customers and the new customers in 2019 due to fierce competition; and
- (ii) Increase in depreciation expenses as a result of the acquisition of machinery at the end of 2018.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 and information currently available to the Company, and is not based on any figures or information

which have been reviewed or audited by the Company's independent auditor or have been confirmed by the audit committee of the Company and are subject to adjustments. The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2019. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2019, which is expected to be published by the end of August 2019 in accordance with the Listing Rules.

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

By order of the Board
Eternity Technology Holdings Limited
Ma Fujun
Chairman

Hong Kong, 23 July 2019

As at the date of this announcement, the Board comprises the following members:

Executive Directors

Mr. Ma Fujun (*Chairman*)
Ms. Chen Xiaoyuan
Mr. Cheng Bin

Independent Non-executive Directors

Mr. Wu Chi-luen
Mr. Chan Chung Kik Lewis
Mr. Chow Kit Ting