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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)

VOLUNTARY ANNOUNCEMENT IMPACT OF NOVEL CORONAVIRUS (COVID-19) EPIDEMIC ON BUSINESS OPERATIONS

This announcement is made by Eternity Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders and potential investors of the Company informed of the latest business development of the Group.

Since the outbreak of the novel coronavirus (COVID-19) (the “**Novel Coronavirus Outbreak**”), a number of provinces and municipalities in the People’s Republic of China (the “**PRC**”) have taken emergency public health measures and various actions to prevent the spread of the Novel Coronavirus Outbreak, including imposing restriction on resumption date of production after the Chinese New Year Holiday.

The board of directors (the “**Board**”) of the Company hereby announces that the operation of the Group’s production plant in Shenzhen (the “**Shenzhen Production Plant**”) has been suspended after the statutory holidays for Chinese New Year as part of the Chinese government’s countermeasures in containing the Novel Coronavirus Outbreak.

The Board would also like to announce that after inspection being done at the Shenzhen Production Plant by the relevant government authority, the Group received an official notice from the relevant government authority on 14 February 2020 approving the resumption of limited production of the Shenzhen Production Plant. As such, the Shenzhen Production Plant resumed its operation and production starting on 15 February 2020.

However, due to the suspension or limited service of transportation facilities in certain area, certain workers in the affected provinces and municipalities, are unable to return to production units in Shenzhen as planned, which result in temporarily drop in production capacity of the Shenzhen Production Plant. The Novel Coronavirus Outbreak also adversely affected the supply chain logistics and the Group experiences delay in the supply of raw materials from its suppliers. It is expected that the Shenzhen Production Plant will experience delay in resuming to original production schedule and there will be late delivery of products in the first half year of 2020.

In light of the aforementioned the prevention and control measures in containing the Novel Coronavirus Outbreak and the limited production of the Shenzhen Production Plant, which was beyond the control of the Group, the number of production days reduced and the production capacity is temporarily dropped, which may have an adverse impact on the Group's operation and financial performance.

Furthermore, over the last few years, one of the largest customers of the Group, a company listed on the Chi Next Board, is located in Wuhan, Hubei Province, the PRC. The Group is in the process of communicating with the said customer and other customers to arrange the production schedule and adjust delivery time of the sales orders placed.

Under such special circumstances, the Group is currently working closely with its suppliers to speed up the delivery of raw materials and liaising with the customers to adjust delivery schedule to minimize any negative economic impact on both sides.

The suspension and the temporarily lower than original production level is likely to have a negative impact on the Group's short term financial results. The board of directors of the Company will continue to assess the impact of Novel Coronavirus Outbreak on the Group's financial performance and closely monitor the development of the Novel Coronavirus Outbreak and the Group's exposure to the risks and uncertainties in this connection. The Company will take appropriate measures as necessary and make further announcement as and when appropriate.

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, 17 February 2020

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