BAOFENG MODERN INTERNATIONAL HOLDINGS COMPANY LIMITED
寶峰時尚國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1121)

SALES FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND PROFIT WARNING

This announcement is made by Baofeng Modern International Holdings Company Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rules 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "Board") of directors (the "Directors") of the Company wishes to inform the shareholders and potential investors of the Company that based on preliminary assessment of the Group's unaudited management accounts for the six months ended 30 June 2020 (the "Reporting Period"), the sales of the Group for the Reporting Period amounted to approximately RMB48.2 million, representing a decrease of approximately 51.7% when compared to the amount of approximately RMB99.9 million for the corresponding period in 2019.

Although the production of the Group have fully resumed, the global outbreak of the novel coronavirus epidemic has severely affected the consumer demand and the quantity ordered, resulting in a decline in the sales of the Group, especially for the Original Equipment Manufacturer business, in the first half of the year. The gross profit margin of the Group is expected to reduce to approximately 12.5% for the Reporting Period as compared to approximately 19.0% for the corresponding period in 2019.

The Group expects that the delayed customer orders in the first half of this year will gradually resume in the second half of the year. Based on the information currently available to the Company, both domestic and export sales in July and August are expected to increase year-on-year. In addition, as people spend more time at home due to the outbreak of the epidemic, this drives the growth of the household goods market. The Group newly launched graphene-based sterilizing slippers for household were favored by consumers and the domestic and export sales are expected to grow continuously in the second half of the year.

The Company is still in the process of preparing and finalising the interim results of the Group for the Reporting Period. The information contained in this announcement is a preliminary assessment made by the Board based on the information currently available to the Group and such information has not yet been confirmed or reviewed by the audit committee of the Company, and the actual results of the Group for the Reporting Period may be different from what are disclosed herein.

Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the Reporting Period which is expected to be issued on or before 31 August 2020.

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

On behalf of the Board
Baofeng Modern International Holdings Company Limited
Zheng Jingdong
Chairman

Hong Kong, 29 July 2020

As at the date of this announcement, the executive Directors are Mr. Zheng Jingdong and Mr. Leung Tsz Chung; the non-executive Director is Ms. Lin Weihuan; and the independent non-executive Directors are Professor Zhao Jinbao, Mr. Chen Shaohua and Ms. An Na.