SUNLIGHT TECHNOLOGY HOLDINGS LIMITED
深藍科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1950)

PROFIT WARNING

This announcement is made by Sunlight Technology 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 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 "**Directors**") of the Company (the "**Board**") wishes to inform the shareholders (the "**Shareholders**") and potential investors of the Company that, based on the information currently available to the Board, the Group is expected to record (i) a significant decrease in revenue of not less than RMB30 million for the six months ended 30 June 2020 (the "**Period**") as compared to that of the corresponding period of 2019; and (ii) a loss attributable to owners of the Company of approximately RMB6.2 million for the Period, as compared to the profit attributable to owners of the Company of approximately RMB10.2 million for the corresponding period of 2019. The Board considered that the loss for the Period is mainly attributable to (i) the recognition of non-recurring listing expenses of approximately RMB10.0 million recognised for the Period; and (ii) the decrease in revenue from the Group's business of sales of faux leather chemicals due to the following factors:

(1) the global outbreak of the novel coronavirus in the second quarter of 2020 has had a strong impact on the global economy and financial markets, where foreign countries had implemented draconian measures to prevent further spread of epidemic including lock-down measures, travel and transportation restrictions etc., and have not been fully resumed as of the end of the second quarter of 2020. This adversely affected the overall economic environment and the consumer market which led to a decrease in the market demand in faux leather manufacturing industries such as apparel, footwear, handbags and luggage, home furnishings and sports equipment, and subsequently affected the faux leather chemicals manufacturing industry and the Group's revenue; and

(2) the escalating tension between the United States (the "**US**") and the People's Republic of China (the "**PRC**") has affected the trade activities between US and PRC and the outlook and performance of the Group's downstream customers such as faux leather manufacturers who export their products to the US, which subsequently affected the faux leather chemicals manufacturing industry and the Group's revenue.

The Company is still in the course of preparing and finalising the unaudited consolidated financial statements of the Group for the six months ended 30 June 2020. The information contained in this announcement is only based on a preliminary assessment of the consolidated management accounts and relevant revenue estimates made available to the Board as at the date hereof and which have not been audited or reviewed by the Company's auditors or the audit committee of the Company and may be subject to adjustments where necessary.

Shareholders and potential investors are advised to read carefully the results announcement of the Group for the Period, which will be published by the end of August 2020 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company. If in doubt, they should consult their own professional advisers.

By order of the Board
Sunlight Technology Holdings Limited
Ms. Liu Jing
Chairman and executive Director

Hangzhou, PRC, 10 August 2020

As at the date of this notice, the Board comprises Ms. Liu Jing, Mr. Chen Hua, Ms. Zhu Jianqin and Mr. Li Xiangyu as executive Directors; Mr. Tian Jingyan, Mr. Ho Ho Tung Armen and Ms. Yu Zhen as independent non-executive Directors.