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HUIFU PAYMENT LIMITED

汇付天下有限公司

*(Incorporated in the Cayman Islands with limited liability under the names of
Huifu Limited and 汇付天下有限公司)*

(Stock code: 1806)

PROFIT WARNING

This announcement is made by Huifu Payment Limited (the “**Company**”, together with its subsidiaries and operating entities, the “**Group**”) pursuant to Rule 13.09(2) 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).

Reference is made to the announcement dated 22 December 2020 jointly issued by the Company and Purity Investment Limited (the “**Offeror**”) in relation to, among other things, the proposal for the delisting of the Company by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Act of the Cayman Islands (the “**Joint Announcement**”). Capitalized terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Joint Announcement.

The Board hereby informs the Shareholders and potential investors of the Company that based on a preliminary review of the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2020 (the “**Period**”): (i) the net loss for the Period has widened to approximately RMB150 million to RMB170 million, as compared to the net loss for the six months ended 30 June 2020 of approximately RMB112 million; and (ii) the adjusted net profit for the Period,

as defined in the same manner as in the Company's 2020 interim report, decreased to approximately RMB25 million to RMB45 million, as compared to the adjusted net profit for the six months ended 30 June 2020 of approximately RMB85 million (the "**Profit Warning**").

The Board believes that the deterioration in the financial performance of the Group for the Period is mainly attributable to the following factors:

- (i) the continued impact of the COVID-19 pandemic on the business of the Group, which caused the decrease in revenue generated from the traditional payment services, especially in the tourism and aviation industries;
- (ii) furthering the "Payment+SaaS" strategy, the Group continued to invest in the new SaaS business, thereby increasing the research and development expenses and sales and marketing expenses for improving the technology, data and platform as well as facilitating business development to formulate customized solutions for the clients; and
- (iii) the impact of the share-based payment expenses on the net loss for the Period primarily as a result of the grant of the restricted share units under the Share Award Scheme, which were fully recognized in the first half of 2020, but such expenses have no impact on the adjusted net profit which does not take into account the share-based payment expenses.

The information contained in this announcement is solely based on the preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the Period and the information currently available to the Board, which have not been audited or reviewed by the auditors of the Company or the audit committee of the Company.

The Profit Warning constitutes a profit forecast under Rule 10 of the Takeovers Code and shall be reported on by the Independent Financial Adviser and the auditor of the Company in accordance with the requirements under Rule 10 of the Takeovers Code (the "**Profit Forecast Reports**"). Pursuant to Practice Note 2 issued by the Executive, the Profit Warning is permitted to be published without full compliance with Rule 10.4 of the Takeovers Code due to: (i) the practical difficulties in terms of the additional time required for the preparation of the Profit Forecast Reports; and (ii) the requirements of timely disclosure of inside information under Rule 13.09(2) of the Listing Rules and Part XIVA of the SFO. The Profit Forecast Reports will be included in the Scheme Document to be jointly issued by the Offeror and the Company to the Shareholders and the Optionholders in connection with the Proposal, the Scheme and the Option Offer as soon as practicable.

WARNING

Shareholders and potential investors of the Company should note that: (i) the Profit Warning 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; and (ii) the implementation of the Proposal, the Scheme and the Option Offer are subject to conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may

not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Proposal, the Scheme and the Option Offer and/or dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the Board
Huifu Payment Limited*
ZHOU Ye
Chairman

Shanghai, the People's Republic of China, 14 January 2021

As at the date of this announcement, the Board comprises Mr. ZHOU Ye, Ms. MU Haijie and Mr. JIN Yuan as executive Directors, Mr. CHYE Chia Chow, Mr. ZHOU Joe and Ms. WANG Lihong as non-executive Directors, and Mr. LIU Jun, Mr. WANG Hengzhong and Mr. JIANG Hong as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, 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 in this announcement misleading.

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