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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1152)**

## **TERMINATION OF THE REVOLVING FACTORING MASTER AGREEMENT AND THE FACTORING ASSIGNMENT**

Reference is made to the announcement of Momentum Financial Holdings Limited (the “**Company**”) dated 16 March 2020 (the “**Announcement**”) in which it was disclosed, among other things, that Zhongmao Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Revolving Factoring Master Agreement and the Factoring Assignment with the Customer to provide factoring facility service to the Customer. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as in the Announcement.

The board of directors of the Company hereby announces that it was the intention of the Company and the Customer that Zhongmao Leasing will provide revolving factoring facility service to the Customer. Due to time constraints, the Company and the Customer did not seek legal advice in the course of preparation of the Revolving Factoring Master Agreement and the Factoring Assignment and believed that such documents already reflected the intention of the parties. Subsequent to the entering into of the Revolving Factoring Master Agreement and the Factoring Assignment, the Company was informed that the Revolving Factoring Master Agreement and the Factoring Assignment did not sufficiently establish the revolving factoring service as intended by the Company and the Customer. Given that the factoring facility service has yet been provided to the Customer, the Company and the Customer have mutually agreed to terminate the Revolving Factoring Master Agreement and the Factoring Assignment. On 20 March 2020, Zhongmao Leasing and the Customer entered into the termination agreement to terminate the Revolving Factoring Master Agreement and the Factoring Assignment with immediate effect with no party owing any further obligations to any other party. It is the intention of the Company and the Customer to further enhance the terms of the Revolving Factoring Master Agreement to align it with the agreed intention of the parties. The Company will comply with the applicable requirements of the Listing Rules when a new revolving factoring master agreement will be entered into.

The board of directors considers that the termination of the Revolving Factoring Master Agreement and the Factoring Assignment will not have material adverse impact on the business and financial position of the Company.

On behalf of the Board  
**Momentum Financial Holdings Limited**  
**Mr. Liu Xin Chen**  
*Executive Director*

Hong Kong, 20 March 2020

*As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely, Mr. Ng Hoi, Mr. Huang Jian, Mr. Liu Xin Chen and Mr. Chan Chun Man; one non-executive director, namely, Mr. Chong Yu Keung; and three independent non-executive directors, namely, Mr. Yeh Tung Ming, Mr. Zhang Hua and Mr. Wong Lap Wai.*