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華億金控集團有限公司
SINOFORTUNE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08123)

PROFIT WARNING

This announcement is made by Sinofortune Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available to the Board, it is expected to record an unaudited loss of not less than HK\$16 million for the nine months ended 30 September 2020 (the “**3rd Quarterly Period**”) as compared to the unaudited loss of HK\$87.6 million as recorded in the corresponding period in 2019.

The Board noted that the loss in the 3rd Quarterly Period, when compared with the past corresponding period, was reduced, which was mainly due to (1) the loss in the changes in inventories of finished goods has been reduced; and (2) there was no provision for the onerous contracts for motor vehicles in the 3rd Quarterly Period. The loss recorded in the 3rd Quarterly Period was mainly due to the decrease in the revenue in the sales of motor vehicles business operated in the PRC. The performance of the sales of motor vehicles segment has been seriously affected since the outbreak of COVID-19 pandemic, the ongoing Sino-US trade war and the change of the PRC government policies. Since January 2020, the Group has adjusted its business strategies in order to stimulate the sales and clear the stocks of motor vehicles which including, inter alia, reduced the price on certain models of motor vehicles, focused on promoting the sales on those motor vehicles which could be sold at profit, and controlled the costs of operation in this segment. The Group will continue to closely monitor the business environment and the changes of the PRC government policies in order to make appropriate business strategies to further improve the performance in this segment.

As the Company is still in the process of finalizing its consolidated financial statements for the 3rd Quarterly Period, the information contained in this announcement is based on the information currently available and the preliminary assessment by the Board with reference to the Group's unaudited management accounts for the 3rd Quarterly Period but not on any data or information audited or reviewed by the independent auditors of the Company. Shareholders and potential investors of the Company who are interested in exact information and financial figures should refer to the results announcement for the 3rd Quarterly Period which is expected to be published on 9 November 2020.

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

By order of the Board
Sinofortune Financial Holdings Limited
Wang Jiawei
Chairman

Hong Kong, 2 November 2020

As of the date of this announcement, the executive Directors are Mr. Wang Jiawei and Ms. Lai Yuk Mui, the non-executive Director is Mr. Liu Runtong and the independent non-executive Directors are Professor Zhang Benzhen, Mr. Li Jianxing and Professor Chen Shu Wen.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the website of GEM of the Stock Exchange at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company's website at <http://www.sinofortune.hk>.