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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8112)

PROFIT WARNING

This announcement is made by Cornerstone Financial Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record an increase in loss for the year ended 31 December 2017 (“**FY2017**”) when compared with a loss of approximately HK\$20.4 million for the year ended 31 December 2016 (“**FY2016**”).

Based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Company and the information currently available to the Group, the increase in loss for FY2017 is primarily attributable to (i) the impairment of film deposits and rights, and (ii) an increase in administrative expenses, in particular, payroll expenses, rental expenses and other operating expenses to cope with the business development of the Group.

The Company is still in the process of finalising its consolidated annual results for FY2017. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts and information currently available to the Board, which have not been finalized nor reviewed or audited by the auditors of the Company or reviewed by the Audit Committee of the Company, and may be subject to adjustment or change, in particular after consideration of the valuation report to be issued by an independent valuer. Shareholders and potential investors of the Company are advised to read the annual results announcement of the Company for FY2017 carefully when it is published.

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

By Order of the Board
CORNERSTONE FINANCIAL HOLDINGS LIMITED
An Xilei
Deputy Chairman and Executive Director

Hong Kong, 9 March 2018

As at the date of this announcement, the Board comprises Mr. Liu Xiaodong (Chairman), Mr. An Xilei (Deputy Chairman), Mr. Wong Hong Gay Patrick Jonathan, Mr. Mock Wai Yin, and Mr. Wang Jun as executive Directors; and Mr. Chan Chi Keung Alan, Mr. Lee Chi Hwa Joshua and Ms. Lau Mei Ying as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 GEM’s website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.cs8112.com.