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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 of the directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board, it is expected to record a loss of not less than HK\$11.0 million for the six months ended 30 June 2020 (the “**Interim Period**”) as compared with the loss of approximately HK\$72.8 million as recorded in the corresponding period in 2019.

The Board is of the view that the loss during the Interim Period, when compared with the past corresponding period, has significantly reduced was mainly due to (1) there was no provision for the onerous contracts for motor vehicles in the Interim Period as compared to the corresponding period in 2019; and (2) the segment for the sales of motor vehicles and provision of agency services in the PRC recorded profits in the Interim Period.

As stated in the first quarterly results announcement for the three months ended 31 March 2020 of the Company dated 8 May 2020, under the shadow of the outbreak of COVID-19 pandemic, the carry out of the precautionary and quarantine control measure across the People's Republic of China ("PRC") has seriously affected the sales and the customer purchase desire in purchasing the motor vehicles and thus the performance of the Group's motor vehicles business in the PRC was not satisfactorily. The situation has been worsen by the uncertainty resulting from the on-going Sino-US trade war. As such, the Group has since January 2020 adjusted its business strategies and operations in order to boost up the sales and clear the stocks which, inter alia, including reduced the price of 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. Hence, the Board noted that there has been improvement in the performance in the segment for the sales of motor vehicles and provision of agency services in the PRC and recorded profits of approximately HK\$1.5 million in the Interim Period as compared to the loss of HK\$49.4 million in the corresponding period in 2019. The Group will continue to closely monitor the business environment and the changes of the PRC government policy in order to make appropriate business strategies to further improve the performance in this segment and will proceed cautiously and prudently in the other business segments of the Group.

The Company is still in the process of finalizing its unaudited consolidated results for the Interim Period. The information contained in this announcement is only based on the information currently available and the preliminary review on the unaudited consolidated management accounts for the Interim Period, which have not been reviewed by the audit committee or the auditors of the Company. Further details of the Group's financial results and performance for the Interim Period will be disclosed in the Group's interim results announcement which is expected to be published in August 2020.

WARNING

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

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

Hong Kong, 29 July 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 of Hong Kong Limited 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 of Hong Kong Limited 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>.