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 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 (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on the information currently available to the Board, the Group is expected to record a significant increase in loss of approximately HK$99.0 million for the year ended 31 December 2024 (the "**Reporting Period**") as compared to the loss of approximately HK$15.8 million as recorded in the corresponding period in 2023. The loss was largely the result of (i) the significant drop of revenue; and (ii) the record of an impairment loss on other deposits paid for acquisition of motor vehicles for resale. The recognition of impairment loss is mainly related to the advance payments made in late 2023 by a subsidiary of the Company to the vehicle suppliers amounted to approximately RMB70.2 million (equivalent to approximately HK$75.8 million) (the "**Advance Payments**") under the purchase contracts for purchasing the motor vehicles for resale (the "**Purchase Contracts**"). During the year under review for those Purchase Contracts, the due dates for the purchases has passed and the purchase of the motor vehicles has not been completed. Having conducted a crucial review on those Purchase Contracts, the management of the Group is of the view that the recoverability of the Advance Payments cannot be assured with reasonable uncertainty, and accordingly made the impairment on the Advance Payments resulting to the loss of RMB70.2 million (2023: Nil) charged to profit or loss for the Reporting Period.

It was expected to see an uptick in economic growth in 2024 after the end of pandemic, however, the growing pace was not as expected. The global economy has been influenced by ongoing conflicts, geopolitical tensions and potential worldwide trade restriction, the weak economic growth has been weakening consumers' purchase desire and consumption pattern and thus the demand for purchase the motor vehicles has been affected. The continuing weak economy together with the continuing extremely keen competition over the sale of motor vehicles industry causing the loss of customers and the forfeiture of advance payments resulting from the non-fulfilment of purchase contracts.

To improve the business performance under the segment of sales of motor vehicles, the management team of the Company is planning, by taking advantage from the globally green transition and technological advancement in automotive industry, to introduce more new energy vehicles and to promote the sale of petrol vehicles and new energy vehicles to the customers. The management of the Group will provide more resources on marketing and sales in order to boost the performance of this business segment.

As the Company is still in the process of finalizing its consolidated financial statements for the Reporting Period, the information contained in this announcement is only based on the preliminary assessment by the Board, with reference to the management accounts and the information currently available which are subject to finalization and adjustments, and has not been reviewed by the audit committee nor the auditors of the Company. Further details of the Group's financial results and performance for the Group's Reporting Period will be disclosed in the results announcement for the Reporting Period in accordance with the requirements of the GEM Listing Rules, which is expected to be published before the end of March 2025.

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, 20 March 2025

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 Benzheng, Mr. Li Jianxing, Professor Chen Shu Wen and Mr. Lee Kwun Kwan.

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 Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk for at least 7 days from the date of its posting and on the Company's website at http://www.sinofortune.hk.