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CHINA FINANCE INVESTMENT HOLDINGS LIMITED
中國金控投資集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 875)

PROFIT ALERT

This announcement is made by China Finance Investment Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

Reference is made to (i) the announcement of the Company dated 6 February 2020 in connection with, among others, the Subscription, the Specific Mandate and the Whitewash Waiver (the "**Announcement**"); and (ii) the announcement of the Company dated 27 February 2020 regarding the delay in despatch of the circular relating to the Subscription, the Specific Mandate and the Whitewash Waiver (the "**Circular**"). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Announcement.

The Board wishes to inform the Shareholders of the Company and potential investors that, based on the preliminary review of the financial information currently available, the Group expects to record significant reduction in the net loss for the financial year ended 31 December 2019 (the "**FY2019**") as compared to that for the financial year ended 31 December 2018 (the "**FY2018**"). It was mainly due to:

(i) decrease in total expenses and finance costs (including discontinued operations) by approximately 41.5% from approximately HK$127.0 million for the FY2018 to approximately HK$73.4 million for the FY2019. It was mainly attributable to (a) a significant reduction of the total selling and distribution expenses as a result of the Group's change of strategies from self-production to sub-contracting arrangement since late 2018 in respect of its agricultural business segment; (b) the reduction of administrative expenses of the Group; (c) a decrease in other operating expenses mainly due to (1) less exchange loss attributable to depreciation of Renminbi; and (2) reduction in impairment loss of goodwill in relation to acquisition of micro finance business in China in the amount of HK$34.9 million as recorded in the FY2018 and such reduction is not yet finalised as it is subject to the valuation by the independent valuer; and (d) the reduction of finance costs as a result of repayment to the certain interest bearing personal loans during the first half of 2019; and

(ii) decrease in share of loss from an associate in the amount of approximately HK$45.2 million as recorded in the FY2018.

As the Company is still in the process of finalising the financial results for the FY2019, the information contained in this announcement is solely based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for the FY2019 and the information currently available, and is not based on any figures or information reviewed by the Company's audit committee and/or audited by the independent auditors of the Company. Shareholders and potential investors of the Company are advised to refer to the details of the Group's annual results announcement for the FY2019, which is expected to be published on or before 31 March 2020 in accordance with the Listing Rules.

This profit alert is considered to constitute a profit forecast under Rule 10 of the Takeovers Code. As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to this profit forecast which has to be reported on by the Company's auditors and Independent Financial Adviser and repeated in full, together with such reports, in the next document to be despatched to the Shareholders, being the Circular, unless the annual results announcement for the FY2019 has been published prior to the next document to be sent to the Shareholders in relation to the Subscription, Specific Mandate and the Whitewash Waiver.

Taking into account (i) the practical difficulties in terms of the additional time required for the preparation of the aforesaid reports by the Company's auditors and Independent Financial Adviser; and (ii) the requirement for timely disclosure of inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the profit forecast in this announcement does not meet the standard required by Rule 10 of the Takeovers Code. The Company will arrange for such profit forecast to be reported on in the Circular in accordance with Rule 10 of the Takeovers Code.

As disclosed in the announcement of the Company dated 27 February 2020, the Circular is expected to be despatched to the Shareholders on or before 17 April 2020.

Shareholders and potential investors should note that the information contained in this announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not yet been reported on in accordance with the Takeovers Code. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company or placing reliance on this announcement in assessing the merits and demerits of the Subscription, the Specific Mandate and the Whitewash Waiver.

By order of the Board
China Finance Investment Holdings Limited
Lin Yuhao
Chairman

Hong Kong, 4 March 2020

As at the date of this announcement, the board of directors of the Company comprises six directors, including two executive directors, namely Ms. Diao Jing and Mr. Lin Yupa, one non-executive director, namely Mr. Lin Yuhao and three independent non-executive directors, namely Mr. Li Shaohua, Ms. Zhu Rouxiang and Ms. Li Yang.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement contained in this announcement misleading.