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China Fortune Holdings Limited
中國長遠控股有限公司*

(Incorporated in Bermuda with limited liability, carrying on business in H.K. as CFH Ltd.)

(Stock Code: 110)

PROFIT WARNING

This announcement is made by China Fortune Holdings Limited (the "**Company**", 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 the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to further inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company, that based on the latest review of the Group's unaudited consolidated management accounts for the year ended 31 December 2019 and information currently available to the Board, the Group is expected to record a loss not less than HK$21.8 million for the year ended 31 December 2019 as opposed to the profit of approximately HK$10.3 million for the year ended 31 December 2018.

The Board considers that the turnaround from profit to loss is mainly attributable to (i) the decrease in revenue recorded by the Group as a result of its declining business performance for the year ended 31 December 2019; (ii) the recovery of bad debts of HK$14.1 million for the year ended 31 December 2018, while there is no such recovery of bad debts for the year ended 31 December 2019, and (iii) the write back of interest payables of HK$11.9 million for the year ended 31 December 2018, while there is no such write back of interest payables for the year ended 31 December 2019.

* *For identification purpose only*

The information contained in this announcement is only based on the preliminary assessment made by the management of the Company with reference to the latest management accounts of the Group and other information currently available to the Company, which have not been audited or reviewed by the auditor of the Company and the audit committee, and is subject to possible adjustments upon further review. The Group is in the course of preparing the annual results for the year ended 31 December 2019. Shareholders and potential investors are advised to refer to the annual results of the Group for the year ended 31 December 2019 to be published in due course.

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

By order of the Board
China Fortune Holdings Limited
Lau Siu Ying
Chairman and Chief Executive Officer

Hong Kong, 25 March 2020

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lau Siu Ying, Mr. Wang Yu and Mr. Gao Fei; one non-executive director, namely Mr. Bao Kang Rong; and three independent non-executive directors, namely Dr. Law Chun Kwan, Mr. Lam Man Kit and Dr. Lo Wai Shun.