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(Stock Code: 431)

website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

## **PROFIT WARNING**

This announcement is made by Greater China Financial Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the unaudited consolidated management accounts of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2020 (the “**Management Accounts**”) and information currently available to the Board, the Group expects to record a loss attributable to Shareholders of not less than HK\$170 million for the six months ended 30 June 2020, as compared to the net loss of approximately HK\$35.2 million for the six months ended 30 June 2019.

The expected increase in the net loss is mainly contributed by the following reasons:

- (i) an impairment loss of approximately HK\$115 million as the expected credit loss in the receivables increased due to the adverse impact of the COVID-19 on the operation and cash flow of the debtors;
- (ii) a provision for financial guarantees of approximately HK\$30 million in respect of the financial guarantees issued by the Group to the customers in the course of the financial guarantee services as expected credit losses on the financial guarantees are determined to be higher; and
- (iii) an impairment loss on goodwill of approximately HK\$13 million in respect of the two cash generating units (“**CGU**”), namely the financing referral CGU and the financial guarantee CGU of the Group as the cash flow forecasts of these CGUs are revised downwards due to the economic slowdown in the PRC.

As the Company is still in the process of finalizing its interim results for the six months ended 30 June 2020, the information contained in this announcement is a preliminary assessment by the management of the Company based on the Management Accounts and the information currently available. This preliminary assessment is not based on any financial figures and/or information which have been audited, verified or reviewed by the Company's auditors or audit committee. The figures disclosed in this announcement may be subject to changes and adjustments. Details of the Group's performance will be disclosed in the interim results announcement which is expected to be published by the Company on 25 August 2020.

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

By order of the Board of  
**Greater China Financial Holdings Limited**  
**Liu Kequan**  
*Chairman*

Hong Kong, 19 August 2020

*As at the date of this announcement, the Board comprises Mr. Liu Kequan, Mr. Yang Dayong and Mr. Zhang Peidong as executive Directors; and Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu as independent non-executive Directors.*