China Fortune Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

Website: http://www.290.com.hk

INSIDE INFORMATION
EXPECTED IMPROVEMENT IN LOSS POSITION

This announcement is made by China Fortune Financial Group Limited (the "**Company**", together with its subsidiaries, collectively 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 board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and the potential investors that based on its preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 (the "**Relevant Period**") and the information currently available to the Board, the Group is expected to record (i) a significant decrease in the consolidated loss of approximately HK$2,633,000 for the Relevant Period as compared with the consolidated loss of approximately HK$26,921,000 for the same period in 2019; and (ii) total comprehensive income of approximately HK$7,398,000 for the Relevant Period as compared with the total comprehensive expense of approximately HK$38,792,000 for the same period in 2019.

The improvement in consolidated loss was mainly due to (1) a decrease in finance costs attributable to convertible bonds issued by the Company as compared with those for the corresponding period in 2019; (2) a decrease in staff costs as compared with those for the corresponding period in 2019; (3) a net investment gain from investment in financial assets; and (4) a reversal of the impairment loss on trade receivables, while the change in other comprehensive income was mainly due to the positive exchange differences arising on translation of foreign operations.

The information contained in this announcement is only based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the Relevant Period currently available, which have not yet been reviewed or audited by the auditor of the Company nor confirmed by audit committee of the Company. Therefore, the actual results of the Group for the Relevant Period may differ from the information contained in this announcement. The interim results of the Group for the Relevant Period are expected to be released in late November 2020. Shareholders and potential investors are advised to refer to the interim results announcement of the Company when it is published.

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

By Order of the Board
China Fortune Financial Group Limited
ZHU YI
Chief Executive Officer
and Executive Director

Hong Kong, 11 November 2020

As at the date of this announcement, the Board consists of three executive directors, namely Mr. XIE Zhichun (Chairman), Mr. ZHU Yi and Ms. SUN Qing; three non-executive directors, namely Mr. HAN Hanting, Mr. CHEN Zhiwei and Mr. WU Ling; and four independent non-executive directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik, Mr. LI Gaofeng and Mr. LIU Xin.