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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 ALERT

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 inform the shareholders of the Company (the "**Shareholders**") and potential investors, based on the latest review of the Group's unaudited consolidated management accounts for the year ended 31 December 2020 and information currently available to the Board, it is expected that the Group may record a consolidated loss of approximately HK$5.9 million for the year ended 31 December 2020 as compared to a consolidated loss of approximately HK$32.8 million for the year ended 31 December 2019.

The decrease in consolidated loss for the year is mainly attributable to (i) an impairment loss on goodwill of HK$6.0 million in the year ended 31 December 2019, while there is no such loss made for the year ended 31 December 2020; (ii) an impairment loss recognised in respect of plant and equipment of HK$5.2 million in the year ended 31 December 2019, while there is no such impairment loss in respect of plant and equipment made for the year ended 31 December 2020; (iii) gain on deemed disposal of subsidiaries of approximately HK$6.3 million; (iv) gain on disposal of subsidiaries of approximately HK$3.1 million; and (v) income tax credit of approximately HK$4.5 million.

* *For identification purpose only*

The information in this announcement is based on a preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2020. Such information has not been finalised, audited or reviewed by the Company's independent auditors, and has not been reviewed and confirmed by the audit committee of the Board. The finalised audited consolidated results of the Group for the year ended 31 December 2020 are expected to be announced on 31 March 2021, which may differ from the figures and information provided in this announcement.

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, 23 March 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Lau Siu Ying and Mr. Wang Yu; one non-executive Director, namely Mr. Hou Zhenyang; and three independent non-executive Directors, namely Dr. Law Chun Kwan, Mr. Fok Wai Ming, Eddie and Dr. Lo Wai Shun.