

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**華億金控集團有限公司**  
**SINOFORTUNE FINANCIAL HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 08123)**

**DISCLOSEABLE TRANSACTION**  
**INVESTMENT IN A LIMITED PARTNERSHIP**  
**AND**  
**CHANGE OF USE OF PROCEEDS**  
**RAISED FROM THE SUBSCRIPTION**

**(1) THE LIMITED PARTNERSHIP AGREEMENT**

On 9 September 2019, Shenzhen Huayi Biotechnology, a direct wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with the General Partner. Pursuant to the Limited Partnership Agreement, the parties thereto agreed to, inter alia, invest in the Limited Partnership with an aggregate capital of RMB60 million. The Capital Commitment to be made by the Group to the Limited Partnership will be RMB30 million, representing 50% of the total Capital Commitment to be made by all Partners of the Limited Partnership, and to be satisfied in cash within 120 days from the date of the Limited Partnership Agreement. The Company intends to finance its Capital Commitment of RMB30 million with the self-owned capital of the Group by changing part of the Unused Proceeds raised from the Subscription.

The business scope of the Limited Partnership covers the provision of enterprise management consulting; business information consulting; enterprise marketing planning; health consulting (excluding treatment and diagnosis); technical research, technical services, technology transfer in the field of medicine technology (projects subject to approval according to law can commence its business after approval by relevant departments).

It is the intention of the Limited Partnership will concentrate in the investment of new medicine development projects in the PRC.

### **GEM Listing Rules Implications**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Limited Partnership Agreement is more than 5% but less than 25%, the Limited Partnership Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules but does not require Shareholders' approval.

## **(2) CHANGE OF USE OF PROCEEDS FROM THE SUBSCRIPTION**

The Board announces that the Company shall change the allocation of the use of proceeds from the Subscription.

The Board has considered the impact of the change of use of proceeds on the Group's business and believes that, in view of the current business environment of the Motor Vehicle Business of the Group, the reallocation of part of the Unused Proceeds to the Group's investment in the Limited Partnership Agreement is appropriate and consider the change will attain diversification of the Group's business with no material impact on the Motor Vehicle Business of the Group under the current business environment in the PRC but is in favourable in achieving the maximum benefit from use of proceeds and are in line with the strategy of the Group's development and in the interest of the Company and the Shareholders as a whole.

On 9 September 2019 (after trading hours), Shenzhen Huayi Biotechnology, a direct wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with the General Partner.

The capital requirement of the Limited Partnership and the respective Capital Commitment by the Limited Partner and the General Partner and the other terms of the Limited Partnership Agreement were determined by arm's length negotiation between the Group and the General Partner taking into account the capital requirement, development potential and the prospect of the businesses to be carried out by the Limited Partnership. Principal terms of the Limited Partnership Agreement are set out as follows:

# THE LIMITED PARTNERSHIP AGREEMENT

## Date

9 September 2019

## Parties

### *General Partner*

(1) Chengdu Lan Bao Kun, a limited partnership established in the PRC

### *Limited Partner*

(2) Shenzhen Huayi Biotechnology, a limited company established in the PRC and a direct wholly-owned subsidiary of the Company

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, the General Partner and its ultimate beneficial owner(s) are Independent Third Parties.

## The Limited Partnership

成都藍葆震企業管理中心 (transliterated as Chengdu Lan Bao Zhen Business Management Center), a limited partnership established in the PRC.

## Business Scope of the Limited Partnership

The business scope of the Limited Partnership covers the provision of enterprise management consulting; business information consulting; enterprise marketing planning; health consulting (excluding treatment and diagnosis); technical research, technical services, technology transfer in the field of medicine technology (projects subject to approval according to law can commence its business after approval by relevant departments).

It is the intention of the Limited Partnership to concentrate on the investment of new medicine development projects in the PRC.

## Term of the Limited Partnership

The term of the Limited Partnership is five (5) years from the issuance date of the business licence. The Executive Partner has the right to extend the term of the Limited Partnership which can be extended with the decision of the Executive Partner.

## Management of the Limited Partnership

The General Partner will be appointed as the Executive Partner who shall use its best efforts to act in good faith to operate the Limited Partnership. The Executive Partner will be solely responsible for the day-to-day management and operation of the Limited Partnership. The Limited Partner will not take part in the management and operation of the Limited Partnership. Pursuant to the Limited Partnership Agreement, the Limited Partner has the rights to, inter alias, make suggestions to the operation of the Limited Partnership, decide the admission and withdrawal of the General Partner, opt for the auditors of the Limited Partnership, receive the financial reports of the Limited Partnership, scrutinize the books and accounts of the Limited Partnership and institute a lawsuit against the other Partners when the interest of Limited Partner and/or the Limited Partnership is being affected.

The Limited Partnership has a partners' meeting which composed of all Partners to decide those matters to be determined by the Partners as prescribed in the Limited Partnership Agreement including but not limited to the dissolution of the Limited Partnership, the adjustment of the management fees, the adjustment of the distribution of profit and provision of guarantee to other third party. The partners' meeting of the Limited Partnership will be held once a year and the voting rights of the Partners is in proportion to their respective Paid Capital Contributions.

## Capital Commitment

The total Capital Commitment to be made by all Partners to the Limited Partnership is RMB60 million which shall be contributed by the Partners in cash as follows:

Partners	Partners' Capital Commitment in the Limited Partnership (RMB million)		Percentage of contribution in the Limited Partnership (%)	
Chengdu Lan Bao Kun	30		50	
Shenzhen Huayi Biotechnology	30		50	
<b>TOTAL</b>	<b>60</b>		<b>100%</b>	

The total amount of Capital Commitment to be made by each of the Partners to the Limited Partnership has been arrived at after arm's length negotiations among the Partners, with reference to, among others, the projected capital requirements of the Limited Partnership. Pursuant to the terms of the Limited Partnership Agreement, each Partner shall satisfy its capital contribution in cash within 120 days from the date of the Limited Partnership Agreement.

The Company intends to finance its Capital Commitment of RMB30 million with the self-owned capital of the Group by changing part of the Unused Proceeds raised from the Subscription. The Company will indirectly hold 50% of the equity interest in the Limited Partnership. As the Executive Partner will be solely responsible for the day-to-day management and operation of the Limited Partnership, the financial results of the Limited Partnership will not be consolidated into the Group's financial statements.

### **Management Fee**

The Executive Partner is entitled to an annual payment of management fee from the Limited Partnership equivalent to 2% of the Partner's Capital Commitment and payable in advance and is payable from the Paid Capital Contributions of the Partners.

### **Profit and Loss Sharing**

All the net profits (if any) of the Limited Partnership shall be payable to all Partners in following proportion:—

- (1) 80% of the net profits (if any), will be payable to all Partners in proportion to their respective Paid Capital Contributions;
- (2) 20% of the net profits (if any), will be payable to the General Partner; and
- (3) Losses incurred by the Limited Partnership due to investments in projects shall be borne by all Partners in proportion to their respective percentage of contribution in the Limited Partnership. The other losses incurred by the Limited Partnership shall be borne by all Partners in proportion to their respective Paid Capital Contributions.

### **Termination**

Upon termination of the Limited Partnership pursuant to the terms and conditions of the Limited Partnership Agreement, any surplus assets of the Limited Partnership, after payment of termination expenses, wages, social insurance expenses, statutory compensation, tax liabilities and outstanding debts, shall be divided among the Partners in proportion to their respective Paid Capital Contributions.

## **Admission of Other New Limited Partner(s)**

Other new limited partner(s) may be admitted to the Limited Partnership with the consent of the General Partner.

## **Pre-emptive Rights and Withdrawal from the Limited Partnership**

The Limited Partnership Agreement provided that a Partner shall have pre-emptive rights when (i) a Partner disposing of its interest in the Limited Partnership to a third party; or (ii) the increase of registered capital in the Limited Partnership.

Subject to the terms and conditions of the Limited Partnership Agreement and in accordance with the Partnership Law, a Partner may withdraw from the Limited Partnership when the Limited Partnership breaches the relevant laws and regulations, the interest of the Limited Partnership has been seriously affected, serious violation of the Limited Partnership Agreement by the General Partner or the withdrawal is necessary in order to be complied with the laws and regulation. In such circumstances, the remaining Partners will determine the then financial condition of the Limited Partnership and return assets to the retiring Partner in proportion to its Paid Capital Contributions. The retiring Partner shall be responsible for any losses caused to the Limited Partnership and its entitlement to asset shall be adjusted accordingly. The determination of the financial condition will only be conducted after all outstanding transactions of the Limited Partnership have been concluded. The Partners could unanimously decide to return either cash or other assets to the retiring Partner. If assets of the Limited Partnership are less than its then liabilities at the time of a withdrawal, the retiring Partner shall bear all the losses incurred prior to its withdrawal in proportion to its Paid Capital Contributions.

## **INFORMATION OF THE LIMITED PARTNERSHIP**

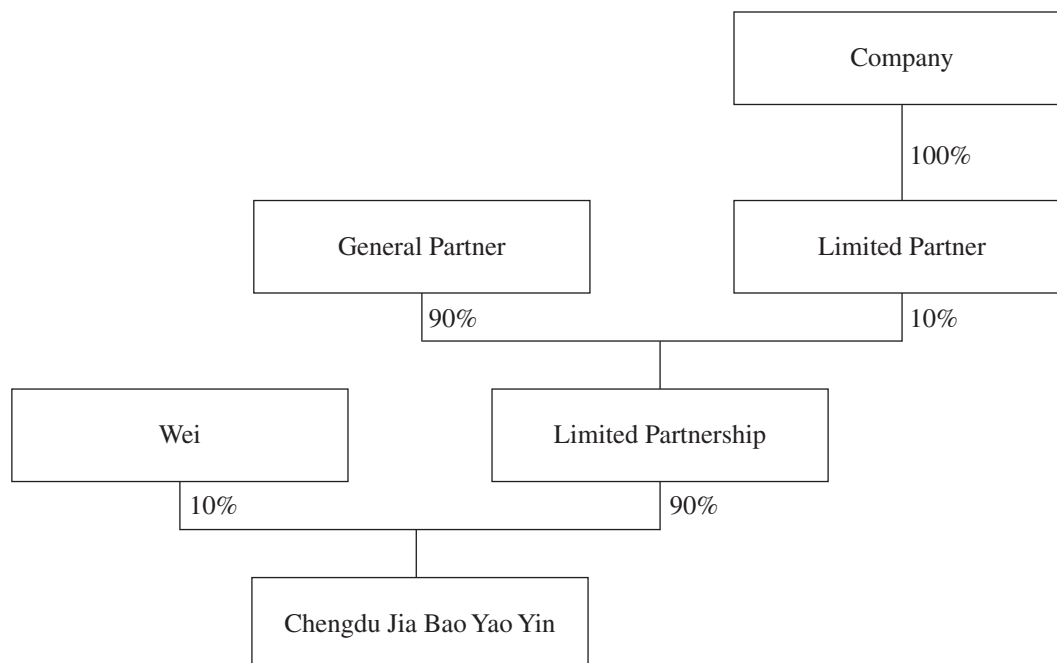
The Limited Partnership was established on 20 August 2019 with a registered capital of RMB1,000,000 and with the General Partner making a Capital Commitment of RMB900,000 and the Limited Partner making a Capital Commitment of RMB100,000. As at the date of this announcement, none of the Partners have made any capital contribution to the Limited Partnership.

The General Partner and the Limited Partner have through the entering into the Limited Partnership Agreement, to increase their respective Capital Commitment to the Limited Partnership to RMB30,000,000 each and to express their respective rights and obligations as Partners in further details.

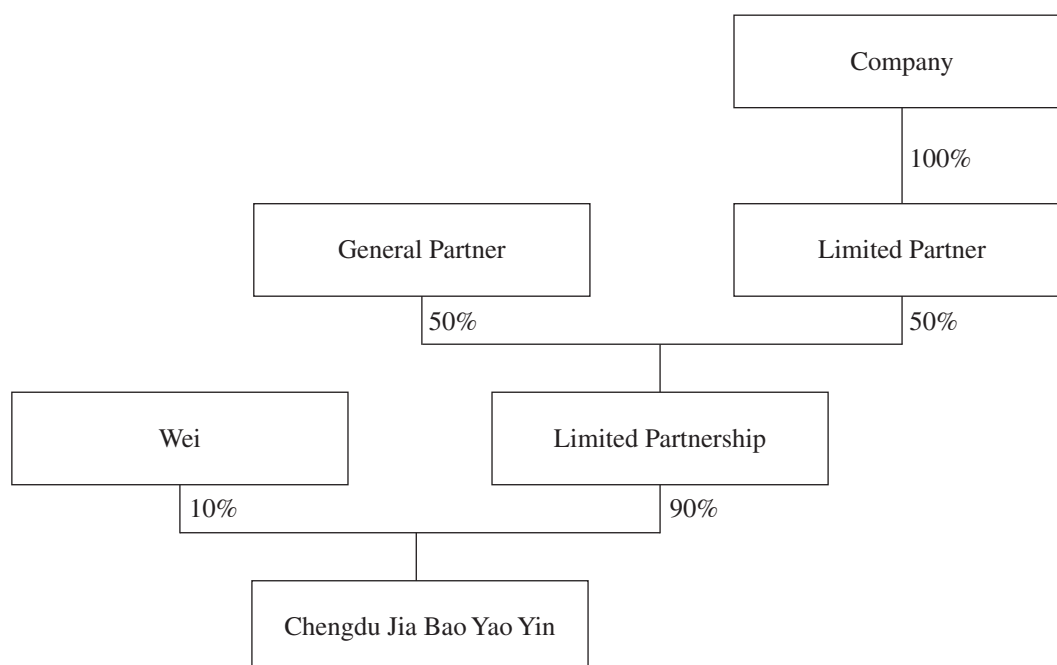
The Limited Partnership has a 90% owned subsidiary, Chengdu Jia Bao Yao Yin, a limited company established in the PRC on 28 August 2019. The remaining 10% share of Chengdu Jia Bao Yao Yin is owned by Wei, the chief scientist of the General Partner. The business scope of Chengdu Jia Bao Yao Yin is medical research and experimental development; medicine technology, biotechnology research and development, technology promotion, technology transfer (projects subject to approval according to law may be commenced after approval by relevant departments).

It is intended of the Limited Partnership to use Chengdu Jia Bao Yao Yin as its vehicle to invest in new medicine development projects.

Set out below is the current structure of the Limited Partnership:–



Set out below is the current structure of the Limited Partnership after completion of the Paid Capital Contributions by the Partners under the Limited Partnership Agreement:



To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, Wei is an Independent Third Party.

## INFORMATION OF THE GENERAL PARTNER

Chengdu Lan Bao Kun is a limited partnership established in the PRC with its scope of business covers enterprise management consulting; business information consulting; enterprise marketing planning (projects subject to approval according to law may be commenced after approval by relevant departments) and is managed by personnel with good experiences in the investment industries on higher education top-notch advance technology investment and incubation and with extensive experiences in co-operating with Tsinghua University, Peking University, Shanghai Jiaotong University, Zhejiang University, University of Science and Technology of China, University of Chinese Academy of Sciences, Sichuan University, Chongqing University and other 14 top institutions of higher education in the PRC and participating in various investments and incubation programmes in the PRC in various industries, including areas involving transportation communication technologies, financial technologies and biotechnologies.

Set out below are the two key personnel of the senior management of the General Partner:–

### General Manager

**Jiang Ning** (姜寧), graduated from Sichuan University with a MBA degree is the general manager of the General Partner, he has more than 10 years experiences in investment in and incubation of start-up businesses. Mr. Jiang has been the general manager of the Investment and Finance Division of 新尚集團 (transliterated as Shinesun Group), it is a nationwide large-scale private enterprise group with 39 companies spreading in 12 cities including Shanghai, Beijing, Hangzhou, Chengdu, Shenzhen, Chongqing and Zhengzhou that is specialised, amongst other things, trading and transaction of technology reports of higher education institutions. In 2017, Shinesun Group's operating income reached RMB31.2 billion.

### Chief Scientist

**Wei Yuquan** (魏于全) (“Wei”), is currently the director of the State Key Laboratory of Biotherapy of Sichuan University and the director of the Clinical Cancer Center of Huaxi Hospital. He is also the deputy editor of the international magazine Human Gene Therapy and the chief scientist of “973 Programme”(國家重點基礎研究發展計劃) implemented by the State Department of the PRC and has been on the expert panel of the National “863”(國家863計劃) programme on medical biotechnology subject matter experts and the vice president of the Chinese Medical Association, and the executive deputy director of the Department of Biological Medicine of the Science and Technology Committee of the Ministry of Education.



Prior to entering into the Limited Partnership Agreement with the General Partner in investing in the Limited Partnership, the Company has conducted due diligence in the past investment programmes involved or conducted by the senior management of the General Partner to satisfy the Company into forming the Limited Partnership with the General Partner and to entrust the General Partner with the sole responsibility for the day-to-day management and operation of the Limited Partnership.

Set out below are three of the investment programmes involved or conducted by members of the senior management of the General Partner:

<b>Nature of investments</b>	<b>Approximate valuation amount of the entire entity at initial stage of investment</b>	<b>Period of investment</b>	<b>Current Status</b>
1. Investment programme involving 23.7556% equity interest in an entity engaged in transportation communication technologies	RMB219 million	From March 2017	The entity is preparing for pre-IPO cornerstone round of investments with an estimated market capitalization of RMB2,400 million upon IPO
2. Investment programme involving 1% equity interest in an entity engaged in financial technologies	RMB63.5 million	From July 2016	Finished latest round of financing with an estimated value of the entity at HK\$9,000 million
3. Investment programme involving 40% equity interest in an entity engaged in bio-technologies involving the research and development of three new medicines	RMB100 million	From December 2017	One of the three new medicines under research and development has commenced the IND stage with an estimated value of RMB200 million

The Company is satisfied on the past investment management records over its abilities to identify valuable investment opportunities and to create value for such investments.

## **INFORMATION ON NEW MEDICINE DEVELOPMENT IN THE PRC**

After the three years' efforts since the implementation of the 13th Five-Year Plan (2016-2020), the PRC government has been reforming the regulatory landscape in the pharmaceutical industry leading it has a steady growth in the past few years, especially for major new medicines development like the promotion of more life-saving and safe medicines to be listed and included in medical insurance. Several projects include (1) major innovative drug development; (2) new drug clinical evaluation technology platform; (3) major drug varieties; and (4) domestically produced innovative drugs and international varieties of high-end preparations will be on the PRC government's subsidies.

With the aims of offering the comprehensive health services to the nation, optimization of the national health insurance system and promotion the healthcare reforms, the PRC government is striking to achieve the efficiency of market controls and allow people have accessibility and affordability of quality drugs and national health services in pursuit of a “Healthy China” by year 2030. On the other hand, with the reform of the review and approval system, the PRC government has demonstrated an improved efficiency in accelerating the pace of approval for registration of innovative drugs especially for chronic and rare diseases in the recent years.

The Companies considers that the investment in the Limited Partnership can benefit from existing national policy subsidies and open up new pharmaceutical market sector for the Group. After evaluation of the industry, the Company further considers that the pharmaceutical industry in the PRC has development potential, and the government’s strong support has an absolute positive impact on the entire pharmaceutical industry in the PRC.

## **INFORMATION OF THE GROUP**

The Company is incorporated in Cayman Islands with limited liability, the Shares of which are listed on GEM. The Group are principally engaged in (i) provision of the precious metals spot trading and brokerage services in the PRC, (ii) provision of securities and futures contracts trading services in Hong Kong, (iii) trading and principal investments in the PRC and Hong Kong, (iv) trading of electronic products, electronic student cards and school safety products and provision of electronic student card platform in the PRC, and (v) sales of motor vehicles and provision of agency services in the PRC.

## **REASONS FOR AND BENEFIT OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT**

The Group considers that the business opportunities in the pharmaceutical market in the PRC is optimistic given the recent reforms in the pharmaceutical market carried out by the PRC government, the large and aging population, growing per capita income, and the PRC’s government’s long term commitment to build up a “Healthy China” by year 2030.

The Board is of the view that by leveraging on the experience and background of the General Partner in providing investment services and the medicine research and development market in the PRC as well as the General Partner’s capital contribution, the Board believes the subscription of interests in the Limited Partnership as its Limited Partner will enable the Group to diversify its investment portfolio in a market that is benefiting from the PRC government policies and to capture investment opportunities by identifying suitable new medicine development projects.

The Board considers that the terms of the Limited Partnership Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Limited Partnership Agreement is more than 5% but less than 25%, the Limited Partnership Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules but does not require Shareholders' approval.

## **CHANGE OF USE OF PROCEEDS FROM THE SUBSCRIPTION**

Reference is made to (i) the Circular; (ii) the Annual Report and (iii) the Supplemental Announcement. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Annual Report, the Circular and the Supplemental Announcement (as the case may be).

Completion of the Subscription took place on 12 October 2018 and the Company has raised a net proceeds of approximately HK\$86,350,000 from the Subscription.

It was disclosed in the Circular that the net proceeds from the Subscription of approximately HK\$86,350,000 was intended to be utilized as follows (i) 40%, approximately HK\$34,540,000 for development and expansion of the existing Motor Vehicle Business of the Group ("**MVB Development Use**"); (ii) 50%, approximately HK\$43,175,000 for investments including potential acquisitions of business related to the Motor Vehicle Business of the Group ("**MVB Investment Use**"); and (iii) 10%, the remaining balance of approximately HK\$8,635,000 for general working capital of the Group ("**Working Capital Use**").

It was disclosed in the Supplemental Announcement that up to the date of the Supplemental Announcement, from a net proceeds of the Subscription (i) a sum of RMB15,000,000 (equivalent to approximately HK\$16,980,000) had been used for the MVB Development Use; (ii) nil amount had been used for the MVB Investment Use; and (iii) the full amount of approximately HK\$8,635,000 had been used for the Working Capital Use and therefore leaving an unutilised amount of the net proceeds of the Subscription as at the date of the Supplemental Announcement of approximately HK\$60,735,000 ("**Unused Proceeds**").

## CHANGE OF USE OF UNUSED PROCEEDS

As disclosed in the Supplemental Announcement, as a result of the unfavorable market condition for the Motor Vehicle Business of the Group, the Group has been adopting a more conservative and tightened approach in the development and the investments and acquisitions of business related to the Motor Vehicle Business of the Group. In view of the uncertainty created by the on-going Sino-US trade war to the Motor Vehicle Business of the Group, the Group is adjusting its business strategies and exploring other business sectors and opportunities in order to maximize the gain to the Group. After considering the Company's decision to divert the Group's resources to invest in the new medicine development market in the PRC through its investment in the Limited Partnership instead of looking for opportunities in investments and acquisitions of business related to the Motor Vehicle Business of the Group.

The Company has resolved to change the proposed use of Unused Proceeds in the following manner:

<b>Original intended use of the Unused Proceeds</b>	<b>New intended use of the Unused Proceeds</b>
(i) approximately HK\$17,560,000 for MVB Development Use	approximately HK\$17,560,000 for MVB Development Use
(ii) approximately HK\$43,175,000 for MVB Investment Use	(a) approximately RMB30,000,000 (equivalent to approximately HK\$33,300,000) for settlement of the Group's Capital Commitment in the Limited Partnership; and  (b) approximately HK\$9,875,000 for general working capital of the Group

The Board has considered the impact of the change of use of proceeds on the Group's business and believes that, in view of the current business environment of the Motor Vehicle Business of the Group, the reallocation of part of the Unused Proceeds to the Group's investment in the Limited Partnership Agreement is appropriate and consider the change will attain diversification of the Group's business with no material impact on the Motor Vehicle Business of the Group under the current business environment in the PRC but is in favourable in achieving the maximum benefit from use of proceeds and are in line with the strategy of the Group's development and in the interest of the Company and the Shareholders as a whole.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“13th Five-Year Plan”	中華人民共和國國民經濟和社會發展第十三個五年規劃 (transliterated as the 13th Five-Year Plan for Economic and Social Development of the PRC)
“Annual Report”	the annual report of the Company dated 18 March 2019 for the year ended 31 December 2018
“Board”	the board of Directors
“Capital Commitment”	the maximum amount of cash agreed to be contributed by that Partner as capital to the Limited Partnership, as such amount may be increased or decreased in accordance with the terms of the Limited Partnership Agreement
“Chengdu Jia Bao Yao Yin”	成都嘉葆藥銀醫藥科技有限公司 (transliterated as Chengdu Jia Bao Yao Yin Medicine Technology Company Limited), a limited company established in the PRC and a 90% owned subsidiary of the Limited Partnership
“Circular”	the circular dated 3 September 2018 issued by the Company in relation to, inter alia, the connected transaction involving issue of new Shares under Specific Mandate
“Company”	Sinofortune Financial Holdings Limited (華億金控集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Connected Person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the directors of the Company from time to time
“Executive Partner”	the General Partner
“GEM”	GEM operated by the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Partner” or “Chengdu Lan Bao Kun”	成都藍葆坤企業管理中心 (transliterated as Chengdu Lan Bao Kun Business Management Center), being the general partner of the Limited Partnership
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IND”	Investigational New Drug programme, a means by which a pharmaceutical company obtains permission to start human clinical trials and to ship an experimental drug across state lines (usually to clinical investigators) before a marketing application for the drug has been approved
“Independent Third Party(ies)”	third party(ies) independent of the Company and are not Connected Persons of the Company
“Limited Partner” or “Shenzhen Huayi Biotechnology”	深圳華億生物科技集團有限公司 (transliterated as Shenzhen Huayi Biotechnology Group Company Limited), a limited company established in the PRC being a direct wholly-owned subsidiary of the Company and the limited partner of the Limited Partnership
“Limited Partnership”	成都藍葆震企業管理中心 (transliterated as Chengdu Lan Bao Zhen Business Management Centre), a limited partnership established in the PRC
“Limited Partnership Agreement”	The limited partnership agreement entered into between the General Partner and the Limited Partner, dated 9 September 2019 in relation to, inter alia, the operation and management of the Limited Partnership
“Motor Vehicle Business of the Group”	sales of motor vehicles and provision of agency services in the PRC of the Group

“MVB Development Use”	the original intended use of part of the net proceeds from the Subscription of approximately HK\$34,500,000 for development and expansion of the existing Motor Vehicle Business of the Group
“MVB Investment Use”	the original intended use of part of the net proceeds from the Subscription of approximately HK\$43,175,000 for investments including potential acquisitions of business related to the Motor Vehicle Business of the Group
“Paid Capital Contributions”	the actual paid capital contribution made by a Partner as capital to the Limited Partnership
“Partner(s)”	the General Partner and the Limited Partner of the Limited Partnership or any one or more of them
“Partnership Law”	中華人民共和國合夥企業法, the legislation in the PRC providing the laws for partnership enterprises
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	has the meaning ascribed to it in the Circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	has the meaning ascribed to it in the Circular
“Supplemental Announcement”	the supplemental announcement of the Company dated 19 August 2019 in relation to the Annual Report
“Unused Proceeds”	the unutilised amount of the Subscription as at the date of the Supplemental of Agreement of approximately HK\$60,735,000

“Wei”	魏于全(Wei Yuquan), the chief scientist of the General Partner and a 10% shareholder of Chengdu Jia Bao Yao Yin
“Working Capital Use”	the original intended use of part of the net proceeds from the Subscription of approximately HK\$8,635,000 for general working capital of the Group
“%”	per cent

By order of the Board  
**Sinofortune Financial Holdings Limited**  
**Wang Jiawei**  
*Chairman*

Hong Kong, 9 September 2019

*As of the date of this announcement, the executive Directors are Mr. Wang Jiawei and Ms. Lai Yuk Mui, the non-executive Directors are Mr. Liu Runtong and Mr. James Beeland Rogers Jr. and the independent non-executive Directors are Professor Zhang Benzhen, Mr. Li Jianxing and Professor Chen Shu Wen.*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the website of GEM of the Stock Exchange at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at <http://www.sinofortune.hk>.*