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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)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO A POSSIBLE DISPOSAL**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board is pleased to announced that on 10 December 2019 (after trading hours), the Company entered into a non-legally binding MOU with the Proposed Purchaser in relation to a Possible Disposal.

THE MOU

Date: 10 December 2019 (after trading hours)

Parties: (a) the Company, being the Vendor; and

(b) the Proposed Purchaser, being the proposed purchaser

The Proposed Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Proposed Purchaser and its ultimate beneficial owner is an Independent Third Party.

Assets to be Disposed of

Pursuant to the MOU, it is proposed that the Company will dispose of and the Proposed Purchaser will acquire the entire issued share capital of the Disposed Company.

Due Diligence and Exclusivity

The Proposed Purchaser will be offered an exclusivity period during the period from the date of signing of the MOU up to 19 December 2019 (the “**Exclusivity Period**”). Within the Exclusivity Period, (i) the Vendor shall not enter into any discussions with any entity or person in respect of the sale, transfer or assignment of the Vendor’s interest in the shares of the Disposed Company; (ii) The Proposed Purchaser shall not enter into any discussions with any other third party (any company in the same business nature of Disposed Company) in respect of any purchase, transfer or assignment of shares of Disposed Company; (iii) the Proposed Purchaser shall conduct a due diligence review (“**Due Diligence Review**”) on Disposed Company and (iv) the Parties shall use their best endeavours to agree the terms and conditions of and enter into the Formal Agreement in connection with the Possible Disposal.

Formal Agreement

It is proposed that the Formal Agreement, which would contain the terms and conditions of the Possible Disposal, shall be entered into by the Parties on or before 19 December 2019.

Conditions to the Possible Disposal

The execution of the Formal Agreement shall be conditional upon, inter alia, the Due Diligence Review having been completed and the results being satisfactory to the Proposed Purchaser before the expiry of the Exclusivity Period.

The Completion shall be conditional upon and subject to, inter alia, the approval obtained from the SFC that the Proposed Purchaser can be the substantial shareholder of the Disposed Company (“**SFC Approval**”).

Consideration and Deposit

The proposed consideration of the Possible Disposal shall be HK\$5,700,000 plus 100% of the net asset value of the Disposed Company at the time of Completion.

It is proposed in the MOU that an amount of HK\$1,710,000 shall be paid by the Proposed Purchaser to the Company as a deposit (“**Deposit**”) upon execution of the Formal Agreement.

In the event the SFC Approval has not been obtained from the SFC or the Proposed Purchaser wishes to terminate the Formal Agreement within the first 6 months from the date of the signing of the Formal Agreement, the Vendor shall refund the partial Deposit for the amount of HK\$1,000,000 (without interest) to the Proposed Purchaser, and the remaining balance of the Deposit of HK\$710,000 shall be forfeited by the Company absolutely.

In the event the SFC Approval has not been obtained from the SFC or the Proposed Purchaser wishes to terminate the Formal Agreement within the 7th to 12th month from the date of the signing of the Formal Agreement, the Deposit of HK\$1,710,000 shall be forfeited by the Company absolutely and not be refunded to the Proposed Purchaser.

Legal Effect

Save for the provisions relating to Exclusivity Period and some general provisions including the governing law and confidentiality obligations of the Parties, the MOU is non-legally binding and does not constitute the Parties' legally binding commitments as to the Possible Disposal. The Possible Disposal is subject to the execution of the Formal Agreement and Completion.

Completion

Completion shall take place within 15 business days after the SFC Approval has been obtained.

Termination of the MOU

The MOU shall expire on (i) the date on which the SPA is executed or (ii) 19 December 2019, whichever is earlier, or such later date as the Parties may agree in writing. This MOU shall be of no force and effect after its expiration.

INFORMATION ABOUT THE DISPOSED COMPANY

The Disposed Company is a limited company incorporated in Hong Kong and is wholly owned by the Company. The Disposed Company is licensed by the SFC, with its SFC Central Entity Number of AHH123 and is holding valid SFC Type 1, Type 2 and Type 4 licenses.

REASONS FOR ENTERING INTO THE MOU

The Group is 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.

Given that the performance of the business of the Disposed Company has not been satisfactory and have been continuously operating at a loss. The Directors consider that the Possible Disposal is a good opportunity to dispose of its non-profitable business and reallocate its resources to the Group's new investment in the new medicine development market in the PRC with the hope that it will enhance the Company's competitiveness in the new medicine development market in the PRC. Therefore, the Directors consider that the terms of the MOU are fair and reasonable and the Possible Disposal, if materialize, will be in the interest of the Company and the Shareholders as a whole.

The Board wishes to emphasize that no binding agreement in relation to the Possible Disposal has been entered into as at the date of this announcement. As such, the Possible Disposal may or may not proceed. If the Possible Disposal materializes, it is expected to constitute a notifiable transaction on the part of the Company.

Shareholders and investors are urged to exercise caution when dealing in the shares of the Company. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

DEFINITIONS

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

“Board”	board of Directors of the Company
“Company” or “Vendor”	Sinofortune Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM operated by the Stock Exchange
“Completion”	completion of the sale and purchase of the entire issued share capital of the Disposed Company

“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposed Company”	Sinofortune Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Formal Agreement”	the formal agreement intended to be entered into by the Parties to effect and consummate the Possible Disposal
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“MOU”	the memorandum of understanding dated 10 December 2019 entered into between the Company and the Proposed Purchaser in relation to Possible Disposal
“Parties”	The Proposed Purchaser and the Vendor
“Possible Disposal”	the possible disposal of the Sale Share from the Company to the Proposed Purchaser as contemplated under the MOU
“PRC”	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
“Proposed Purchaser”	ATIF Limited, a company incorporated in Hong Kong with limited liability
“Sale Share”	the entire issued share capital in the Disposed Company

“SFC”	The Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of the share(s) of the Company in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 10 December 2019

As of the date of this announcement, the executive Directors are Mr. Wang Jiawei and Ms. Lai Yuk Mui, the non-executive Director is Mr. Liu Runtong 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 GEM Listing Rules 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>.