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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 PROPOSED DISPOSAL**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the SFO.

THE MOU

Date and Parties

Date: 27 February 2024 (after trading hours)

Parties: (i) the Vendor, being the proposed vendor

(ii) the Proposed Purchasers, being the proposed purchasers

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Proposed Purchasers and their ultimate beneficial owners are Independent Third Parties.

Subject Matter of the Proposed Disposal

The Vendor intends to sell and the Proposed Purchasers intend to acquire the Sale Shares and all outstanding shareholder's loans (if any) made by the Vendor to the Disposed Company.

Due Diligence and Exclusivity

For the purpose of the Proposed Disposal, each of the Proposed Purchasers shall be given the opportunity to conduct the due diligence review on the Disposal Group within the Exclusivity Period.

The Vendor agrees that it shall not, and will cause its partners, directors, officers, employees, representatives and agents not to, at any time during the Exclusivity Period, (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Proposed Purchasers with respect to the sale, transfer or other disposition of any share capital in the Disposed Company or the sale or transfer of any part thereof or any other interest in the Disposal Group.

Formal Agreement

It is proposed that the Formal Agreement, which would contain the terms and conditions of the Proposed Disposal, shall be entered into by the Parties in order to effect and consummate the Proposed Disposal as soon as possible and in any event, on or before the date falling two (2) months from the date of the MOU, or such later date as the Parties may agree in writing.

The entering into the Formal Agreement is conditional upon, including but not limited to (i) each of the Proposed Purchasers being satisfied with the results of the due diligence review in its absolute discretion; and (ii) any other conditions agreed by the Vendor and Proposed Purchasers to be included in the Formal Agreement.

Consideration and Deposit

The proposed consideration of the Proposed Disposal shall be HK\$15,520,000 (“**Consideration**”) which was arrived with reference to the aggregate net assets value of SSL, SFCL and SAML as at 31 January 2024 plus a premium of HK\$3,300,000.

The detailed terms of payment of Consideration will be subject to further negotiations between the Parties.

Upon the signing of the MOU, the Proposed Purchasers shall pay to the Vendor a deposit representing 10% of the Consideration (the “**Deposit**”), within 5 working days or such later date, as agreed in writing by the Parties, to the Vendor’s solicitors to be held as escrow custodian. Upon the signing of the Formal Agreement, the Proposed Purchasers shall pay to the Vendor a second payment representing 40% of the Consideration (the “**Second Payment**”), within 5 working days or such later date, as agreed in writing by the Parties, to the Vendor. Upon the completion of the transactions under the Formal Agreement (the “**Closing Date**”), the Proposed Purchasers shall pay to the Vendor a third payment representing 30% of the Consideration (the “**Third Payment**”). The Proposed Purchasers shall, within 5 business days of the Closing Date, pay to the Vendor the remaining balance of 20% of the Consideration (the “**Final Payment**”) unless the Parties may prior to the Closing Date agree in writing that the Final Payment shall be payable by the Proposed Purchasers to the Vendor on some other date.

In the event that the Proposed Disposal does not materialise as a result of the Vendor's failure to fulfill any conditions under the MOU or the Formal Agreement, the Vendor shall refund all such Deposit, Second Payment, Third Payment and/or Final Payment to the Proposed Purchasers in full without any interest.

If the Proposed Purchasers discover (i) any material deficiencies (in any of the Proposed Purchasers' discretion) in any company of the Disposal Group; (ii) any investigation or prosecution for any misconduct and/or unlawful conduct under the SFO or for breach of any SFC requirements to the responsible officers or other officer(s) or employee(s) of SSL, SFCL or SAML; (iii) any suspension or revocation or threaten suspension or threaten revocation of the SFC licenses held by SSL, SFCL or SAML, the Proposed Purchasers shall have the right to terminate the MOU and have full refund of the Deposit without interest.

If any of the Proposed Purchasers is of the opinion that it cannot complete the due diligence review with the Vendor as a result of the Vendor not being in a position to provide any of the required documents reasonably requested by the Proposed Purchasers or their agents or their appointed professional advisors, any of such Proposed Purchasers shall have the right to terminate the MOU and have full refund of the Deposit without interest.

Fees

Each Party to the MOU shall be responsible for their own legal fees incurred in connection with the preparation and completion of the MOU and the Formal Agreement(s) whether or not the Proposed Disposal completes except whether there is material misrepresentation or willful concealment of material information by the Vendor, in such circumstances, the Vendor shall reimburse the Proposed Purchasers on indemnity basis all fees incurred by the Proposed Purchaser(s) relating to the MOU, the Formal Agreement(s) and any other matters relating to the Proposed Disposal (the "Fees").

Binding Effects

The MOU does not create legally binding obligations on the Parties in relation to the Proposed Disposal but is legally binding as to the payment and refund of Deposit, the Exclusivity Period and the Fees.

INFORMATION ON THE DISPOSAL GROUP

The Disposed Company

The Disposed Company is a private limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. The Disposed Company has three wholly-owned subsidiaries, namely SSL, SFCL and SAML.

SSL

SSL is a private limited company incorporated in Hong Kong and is principally engaged in the businesses of (i) dealing in securities, (ii) dealing in futures contracts, and (iii) advising on securities under a licence issued by the SFC to carry on types 1, 2 and 4 regulated activities under the SFO. SSL holds valid licence to carry on Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts) and Type 4 (Advising on Securities) regulated activities.

SFCL

SFCL is a private limited company incorporated in Hong Kong and is principally engaged in the business of advising on corporate finance under a licence issued by the SFC to carry on type 6 regulated activity under the SFO.

SAML

SAML is a private limited company incorporated in Hong Kong and is principally engaged in the business of dealing in asset management under a licence issued by the SFC to carry on type 9 regulated activity under the SFO.

REASONS FOR ENTERING INTO THE MOU

The Group is principally engaged in (i) sales of motor vehicles, provision of agency services and accessories sourcing in the PRC, excluding Hong Kong, (ii) provision of securities and futures contracts trading services in Hong Kong, and (iii) trading of listed securities in Hong Kong.

Given that the performances of the business of the Disposal Group have not been satisfactory and have been continuously operating at a loss, the Directors consider that the Proposed Disposal is a good opportunity for the Group to dispose of its non-profitable business and reallocate its resources on other new investments.

The Directors believe that the terms and conditions of the MOU are fair and reasonable and the Proposed Disposal would be in the interest of the Shareholders and the Company as a whole.

General

If the Proposed Disposal materializes, it may constitute a notifiable transaction for the Company under the GEM Listing Rules, Further announcement(s) will be made by the Company once as and when appropriate.

The Board wishes to emphasize that the Proposed Disposal is subject to, among others, the signing of a legally binding Formal Agreement, the terms and conditions of which are yet to be agreed between the Proposed Purchasers and the Vendor. As such, the Proposed Disposal may or may not proceed and as at the date of this announcement, no legally binding agreement in relation to the Proposed Disposal has been entered into. Further announcement(s) will be made by the Company in accordance with the GEM Listing Rules as and when appropriate. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Sinofortune Financial Holdings Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed and traded on the Stock Exchange, together with its subsidiaries, the “Group”
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal Group”	collectively, the Disposed Company, SSL, SFCL and SAML
“Disposed Company”	Sinofortune Financial Holdings (BVI) Limited, a company incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of the Company
“Exclusivity Period”	during a period of two (2) calendar months commencing on the date of the MOU and any extended period mutually agreed between the Parties
“Formal Agreement”	the formal agreement(s) intended to be entered into by the Parties to effect and consummate the Proposed Disposal
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 27 February 2024 entered into between the Proposed Purchasers and the Vendor in relation to the Proposed Disposal
“Party(ies)”	Party(ies) to the MOU
“PRC”	People’s Republic of China
“Proposed Disposal”	the proposed disposal of the Sale Shares from the Vendor to the Proposed Purchasers as contemplated under the MOU
“Proposed Purchasers”	three Independent Third Parties
“Sale Shares”	100% equity interest in the Disposed Company
“SAML”	Sinofortune Asset Management Limited, a limited company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Disposed Company
“SFC”	Securities and Futures Commission
“SFCL”	Sinofortune Financial Capital Limited, a limited company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Disposed Company
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“SSL”	Sinofortune Securities Limited, a limited company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Disposed Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” The Company

“%” per cent

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

Hong Kong, 27 February 2024

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, Professor Chen Shu Wen and Mr. Lee Kwun Kwan.

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 of The Stock Exchange of Hong Kong Limited 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 Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the Company’s website at <http://www.sinofortune.hk>.