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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF 30% EQUITY INTEREST IN
THE TARGET COMPANY

THE DISPOSAL

The Board announces that on 24 December 2020, after trading hours, the Vendor, an indirect non wholly owned subsidiary of the Company, and the Purchaser entered into the Share Transfer Agreement pursuant to which the Vendor agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Vendor the Sale Shares at the Consideration of RMB9,500,000 (equivalent to approximately HK\$11,160,885) in cash.

GEM LISTING RULES IMPLICATION

As one or more applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

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THE DISPOSAL

The Share Transfer Agreement

Date

24 December 2020

Parties

(1) the Vendor; and

(2) the Purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Assets to be disposed of

The Sale Shares, representing 30% of the equity interest in the Target Company, held by the Vendor.

Consideration

The Consideration is RMB9,500,000 (equivalent to approximately HK\$11,160,885) which shall be paid in cash by the Purchaser to the Vendor within three (3) business days from the date of the Share Transfer Agreement.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into consideration of the reasons for the Disposal as discussed below.

The Directors consider that the Consideration and the terms of the Share Transfer Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Vendor and the Purchaser agreed to assist the Target Company to procure all necessary registration relating to the Disposal with the relevant PRC government authorities be completed within 30 days from the date of the Share Transfer Agreement.

INFORMATION ON THE GROUP, THE PURCHASER AND THE VENDOR

The Group is principally engaged in (i) provision of the precious metals spot trading and brokerage service 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, and (iv) sales of motor vehicles and provision of agency services in the PRC.

The Vendor, an indirect non wholly owned subsidiary of the Company, is a company incorporated under the laws of the PRC with limited liability and is principally engaged in provision of the precious metals spot trading and brokerage services in the PRC. The Company indirectly holds 95% of the equity interest in the Vendor which in turn holds the Sale Shares, representing 30% of the equity interest in the Target Company.

The Purchaser is a company incorporated under the laws of the PRC with limited liability. As advised by the Purchaser, the Purchaser is principally engaged in development and sales of computer software and hardware, investment and establishment of industries and information consultation.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated under the laws of the PRC with limited liability, and the Sale Shares were acquired by the Group in January 2019, the Target Company indirectly held the project related to the setting up of a biomedical laboratory in the PRC.

Financial effect of the Disposal

The carrying amount of the investment in the Target Group at the date of the Disposal is RMB9,500,000 (equivalent to approximately HK\$11,160,885), representing its fair value estimated by reference to the Consideration. As a result of the Disposal, subject to further audit procedures to be performed by the auditor of the Group, no gain or loss on the Disposal recognised in profit or loss is expected to be recorded by the Company. The exceed of the fair value of the investment in the Target Company at the date of Disposal over its cost of investment, amounted to approximately HK\$1,163,685, will be transferred out from the other comprehensive income to the accumulated losses of the Group. The Company will use the sale proceeds as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In or about January 2019, the Target Company has been carrying out a project regarding the setting up of a biomedical laboratory in the PRC (the “**Plan**”). The setting up of the laboratory in the PRC is subject to the approval of the PRC government and the Target Group has been working on the Plan since January 2019. At or about the third quarter of 2020, the management of the Company realised that it would take long time to obtain the approval for the Plan as it involves the granting of land use rights and other necessary approvals for setting up a biomedical laboratory in the PRC.

The Directors have assessed the business development potential of the Target Group and consider that the time for the Plan to be materialised becomes uncertain and the Disposal offers an opportunity for the Group to realise its investments in the Sale Shares at a profit and can improve the liquidity of the Group to cater for other new suitable investment opportunities with more growth potential.

In view of the above, the Directors consider that the terms of the Share Transfer Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Sinofortune Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 08123)
“Consideration”	the consideration of RMB9,500,000 (equivalent to approximately HK\$11,160,885) payable by the Purchaser to the Vendor for the Disposal pursuant to the Share Transfer Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Share Transfer Agreement
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing in the Listing of Securities on GEM
“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 PRC
“PRC”	the People’s Republic of China
“Purchaser”	深圳廣達世聯科技發展有限公司 (Shenzhen Guangda World Union Technology Development Co., Ltd.*), a company incorporated under the laws of the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC

“Sale Shares”	30% of the equity interest in the Target Company
“Share Transfer Agreement”	the share transfer agreement dated 24 December 2020 in relation to the Disposal entered into between the Vendor and the Purchaser
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	南瑞生物科技集團(深圳)有限公司(Nan Rui Biotechnology Group (Shenzhen) Company Limited*), a company incorporated under the laws of the PRC with limited liability
“Target Group”	the Target Company and its subsidiaries
“Vendor”	深圳國銀盛世貴金屬經營有限公司 (Shenzhen Guoyin Brilliant Precious Metals Limited*), a company incorporated under the laws of the PRC with limited liability and is an indirect non wholly owned subsidiary of the Company, holds the Sale Shares representing 30% of the equity interest in the Target Company
“%”	per cent

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 to HK\$1.17483. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.

* *For identification purpose only*

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

Hong Kong, 24 December 2020

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 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>.