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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)

**MAJOR TRANSACTION INVOLVING
PROPOSED ADDITIONAL CAPITAL CONTRIBUTION TO
JOINT VENTURE COMPANY**

Reference is made to the announcements of Sinofortune Financial Holdings Limited (the “**Company**”) dated 4 July 2017 and 17 October 2017 (the “**Announcements**”) in relation to the formation of the Joint Venture Company. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

**PROPOSED ADDITIONAL CAPITAL CONTRIBUTION TO THE JOINT
VENTURE COMPANY**

The Board wishes to announce that further to the formation of the Joint Venture Company the board of directors of the Joint Venture Company had resolved to increase its registered capital from RMB100,000,000 to RMB150,000,000 and the Company intends to make the Proposed Additional Capital Contribution.

The Company will satisfy the Proposed Additional Capital Contribution in cash through its internal resources.

BACKGROUND

As disclosed in the Announcements, the Company and the Joint Venture Partner entered into the Joint Venture Agreement on 4 July 2017 to form the Joint Venture Company in Chongqing City, PRC. The Joint Venture Company was formed on 2 August 2017 and the Company and the Joint Venture Partner had made their capital contributions to the Joint Venture Company of RMB90,000,000 and RMB10,000,000 respectively.

Since the formation of the Joint Venture Company, it has been carrying on business as an importer of motor vehicles for sales in the PRC market. On 9 November 2017 the board of directors of the Joint Venture Company had resolved to increase the registered capital of the Joint Venture Company from RMB100,000,000 to RMB150,000,000 as additional capital is required by the Joint Venture Company for carrying out and expand its businesses and the Joint Venture Company had obtained approval for the increase of its registered capital from RMB100,000,000 to RMB150,000,000 from the relevant government authority of the PRC.

The Joint Venture Partner had indicated that it would forgo its right to subscribe for and contribute to its entitled 10% of the increased registered capital of the Joint Venture Company in the sum of RMB5,000,000 as a result the Company intends to make the Proposed Additional Capital Contribution and subscribe for the entire 100% of the increased registered capital of RMB50,000,000 of the Joint Venture Company.

INFORMATION OF THE JOINT VENTURE PARTNER

The Joint Venture Partner is a company established in the PRC whose shares are listed on Shenzhen Stock Exchange under stock code 000010 and is principal engaged in the businesses of landscaping construction, landscape design, garden conservation and green seedlings planting.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Joint Venture Partner and its ultimate beneficial owners are third parties independent of the Group and connected persons (as defined in the GEM Listing Rules) of the Group.

INFORMATION OF THE JOINT VENTURE COMPANY

The Joint Venture Company was formed on 2 August 2017 in Chongqing City, PRC and is licensed to carry out the businesses of sales of motor vehicles, motor vehicle parts and motor vehicle products; motor vehicles rental (excluding motor vehicles finance leasing, passenger vehicles transportation rental and road passenger and freight transport operations); international freight forwarding services; import and export businesses; motor vehicles information consultancy (excluding restricted items); motor vehicles repair and maintenance (for business items that require approval, shall only be carried out after obtain approvals) and agency for motor vehicles registration, transfer and scrap procedures for 50 years from 2 August 2017 until 1 August 2067.

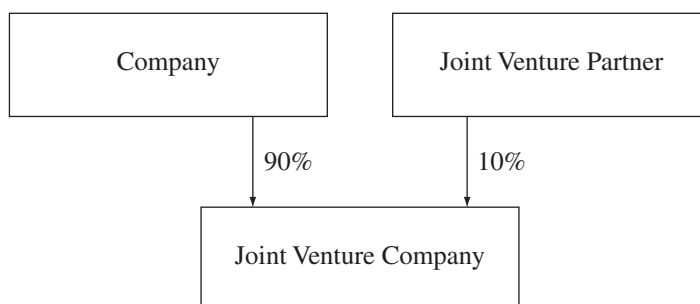
The Joint Venture Company has three directors, two of whom are appointed by the Company and the remaining one appointed by the Joint Venture Partner, it has a registered capital of RMB100,000,000 of which RMB90,000,000 was contributed by the Company and RMB10,000,000 was contributed by the Joint Venture Partner.

Since its formation, the Joint Venture Company has mostly been targeting on the segment of mid to high range European and Japanese sport utility vehicles of the PRC market and has been parallel importing them into the PRC. The additional capital of RMB50,000,000 required by the Joint Venture Company was determined by the board of directors of the Joint Venture Company after due consideration of the market of imported motor vehicles in the PRC in general, the market segment targeted by the Joint Venture Company and the financial needs of the Joint Venture Company to further expand in its targeted market segment in the PRC.

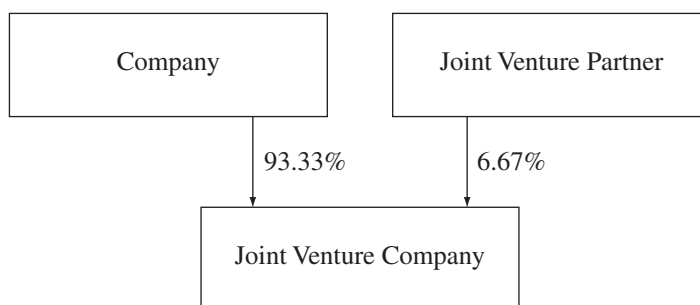
Share Structure

Set out below is the shareholding structure of the Joint Venture Company before and after completion of the Proposed Additional Capital Contribution:

- (i) as at the date of this announcement and before completion of the Proposed Additional Capital Contribution:



- (ii) after completion of the Proposed Additional Capital Contribution:



Following completion of the Proposed Additional Capital Contribution, the Joint Venture Company will remain a non-wholly owned subsidiary of the Company and the financial results of the Joint Venture Company will be consolidated into the financial statements of the Company.

Financial Information

Set out below is a summary of the unaudited financial information of the Joint Venture Company for the period commencing from its date of formation and ended 30 November 2017:

	For the period commencing from 2 August 2017 and ended 30 November 2017 RMB'000 (unaudited)
Revenue	–
Net loss before taxation	(678)
Net loss after taxation	(678)
	As at 30 November 2017 RMB'000 (unaudited)
Net assets	99,321

REASONS FOR AND BENEFITS DERIVED FROM MAKING THE PROPOSED ADDITIONAL CAPITAL CONTRIBUTION

The Company is of the view that the formation of the Joint Venture Company represents an opportunity for the Group to expand its business in the sales of motor vehicles in the PRC market which is the largest motor vehicles market in the world and there is still a huge growth potential for the market given the relatively lower vehicle per capita compared with other developed markets of the world such as the United States and the Company believes that the Joint Venture Company can expand the income base of the Group and diversify its business portfolio.

The Directors consider that the Proposed Additional Capital Contribution, if approved by the Shareholders, will further increase the Company's equity interest in the Joint Venture Company from 90% to 93.33% and the additional capital contribution of RMB50,000,000 by the Company to the Joint Venture Company will significantly strengthen the capital base of the Joint Venture Company and will increase its competitiveness in the parallel import motor vehicle market of the PRC and is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY

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 and wealth management services in Hong Kong; (iii) trading and principal investments in the PRC and Hong Kong; (iv) research, exploration and development of the student safety network project and the electronic student card in the PRC; (v) provision of stock information and research services through the internet network in the PRC; and (vi) trading in motor vehicles in the PRC.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) of the Proposed Additional Capital Contribution when aggregated with the contribution by the Company to the initial capital of the Joint Venture Company of RMB90,000,000 on its formation on 2 August 2017 under Rule 19.22 of the GEM Listing Rules will exceed 25% but are less than 100%, the Proposed Additional Capital Contribution will constitute a major transaction for the Company and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

A circular containing, amongst other things, (i) details of the Joint Venture Company and the Proposed Additional Capital Contribution; (ii) financial information of the Joint Venture Company; (iii) unaudited pro forma financial information of the Group consisting of the Joint Venture Company; (iv) a notice convening the EGM; and (v) other information required under the GEM Listing Rules will be dispatched to the Shareholders in due course. As additional time is required to prepare the aforesaid information, the circular is expected to be dispatched to the Shareholders on or before 22 January 2018.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder had a material interest in the Joint Venture Company, the Joint Venture Partner and the Proposed Additional Capital Contribution. Therefore, no Shareholder is required to abstain from voting at the EGM.

WARNING

Shareholders should pay attention that the Proposed Additional Capital Contribution is subject to the approval of the Shareholders in the EGM, and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Proposed Additional Capital Contribution
“Joint Venture Company”	重慶盛渝泓嘉國際貿易有限公司 (transliterated as Chongqing Sheng Yu Hong Jia International Trading Company Limited), a sino-foreign joint venture company formed on 2 August 2017 which is 90% owned by the Company and 10% owned by the Joint Venture Partner
“Proposed Additional Capital Contribution”	the proposed additional contribution of RMB50,000,000 (equivalent to approximately HK\$60,450,000) by the Company to the registered capital of the Joint Venture Company

For the purpose of this announcement, unless otherwise specified, conversion of Renminbi, the lawful currency of the People’s Republic of China, into Hong Kong dollars, the lawful currency of Hong Kong, is based on the approximate exchange rate of RMB1.00 to HK\$1.209.

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

Hong Kong, 29 December 2017

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 collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market 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 the GEM of the Stock Exchange at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.sinofortune.hk.