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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).

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE DISPOSAL

The Board is pleased to announce that on 24 April 2023 (after trading hours), the Company and the Potential Purchaser entered into a non-legally binding MOU in respect of the Possible Disposal.

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 of the Company 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. Further announcement in respect of the Possible Disposal will be made by the Company in the event that any formal agreement has been signed.

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THE MOU

Date and Parties

Date: 24 April 2023 (after trading hours)

Parties: (i) the Company, being the vendor; and
(ii) the Potential Purchaser, being the potential purchaser

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Potential Purchaser and its ultimate beneficial owner are Independent Third Parties.

Assets to be Disposed of

Pursuant to the MOU, the Company intends to dispose of, and the Potential Purchaser intends to acquire, the entire issued share capital of the Disposed Company.

As at the date of this announcement, the Disposed Company is a limited company incorporated in the British Virgin Islands and is wholly-owned by the Company. The Disposed Company is an investment holding company and has three wholly-owned subsidiaries, namely SSL, SFCL and SAML.

SSL is a limited company incorporated in Hong Kong and is wholly-owned by the Disposed Company. SSL is licensed by the SFC and is holding valid SFC Type 1, Type 2 and Type 4 licenses.

SFCL is a limited company incorporated in Hong Kong and is wholly-owned by the Disposed Company. SFCL is licensed by the SFC and is holding valid SFC Type 6 license.

SAML is a limited company incorporated in Hong Kong and is wholly-owned by the Disposed Company. SAML is licensed by the SFC and is holding valid SFC Type 9 license.

Consideration and the Earnest Money

The consideration of the Possible Disposal shall be HK\$4,300,000 plus 100% of the net asset value of the Disposal Group at the time of the completion of the Possible Disposal (approximately to be HK\$15,700,000).

Upon signing of the MOU, the Potential Purchaser has paid to the Company a sum of HK\$1,000,000 as Earnest Money. In the event that a legally binding sale and purchase agreement for the Possible Disposal (“Formal Agreement”) is entered into by the Parties, the Earnest Money shall be applied towards in satisfying part of the consideration for the Possible Disposal. In the event the Parties fail to reach the Formal Agreement within one month from the date of the MOU or such other date as agreed between the Parties, the Company shall return to the Potential Purchaser the Earnest Money within 7 Business Days after the expiry of one month period (or the extended period (if any)) without interest.

Exclusivity

The Parties have agreed that, the Company during the one month period commencing from the date of the MOU or such longer period as the Parties may mutually agree in writing shall not and shall procure its employees, agents, advisors and representatives and the officers of the Disposal Group not to negotiate, invite for offer, provide any information or solicit, initiate or encourage submission of further proposals or offers from any person, either directly or indirectly, relating to the Possible Disposal.

Due Diligence

Pursuant to the MOU, the Potential Purchaser shall be entitled to arrange its advisers or agents to carry out due diligence review on the assets, liabilities, operations and affairs of the Disposal Group.

Termination of the MOU

If the Parties do not enter into any Formal Agreement within one (1) month after the signing of the MOU or such other date as agreed between the Parties, the MOU shall automatically terminate and no Party shall have obligation with respect to the other Party under the MOU save for any antecedent breaches of the binding provisions stated in the MOU.

Non-legally binding effect

Save for certain provisions relating to the return of the Earnest Money, confidentiality, governing law and the termination of the MOU, the MOU is non-legally binding and does not constitute the legally binding commitments of the Parties as to the Possible Disposal. The Possible Disposal is subject to the execution of the Formal Agreement.

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, (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 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.

The Board believe that the terms and conditions of the MOU are fair and reasonable and the Possible Disposal would be in the interest of the shareholders of the Company and the Company as a whole.

The Board wishes to emphasis 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 of the Company 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. Further announcement in respect of the Possible Disposal will be made by the Company in the event that any formal agreement has been signed.

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
“Business Day(s)”	a day (other than Saturday or a Sunday and any day on which a typical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong
“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: 8123)
“Director(s)”	director(s) of the Company
“Disposal Group”	collectively, SSL, SFCL and SAML
“Disposed Company”	Sinofortune Financial Holdings (BVI) Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company
“Earnest Money”	the sum of HK\$1,000,000
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“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 24 April 2023 entered into between the Potential Purchaser and the Company in relation to Possible Disposal
“Parties”	party to the MOU, i.e. the Company and the Potential Purchaser, and each a “Party”
“Possible Disposal”	the possible disposal of the Sale Shares by the Company to the Potential Purchaser as contemplated under the MOU
“Potential Purchaser”	an Independent Third Party
“PRC”	People’s Republic of China
“Sale Shares”	the entire issued share capital of 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
“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
“%”	per cent

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

Hong Kong, 24 April 2023

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 Listed Company Information” page of the website of the Stock Exchange 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>.