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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
IN RELATION TO
ACQUISITION AND DISPOSAL OF FINANCIAL ASSETS**

Reference is made to the Company's announcements dated 17 November 2023, 24 November 2023 and 4 December 2023 (the "**Announcements**") in relation to the discloseable transaction for the disposal of 50% of the Group's equity interest in the Limited Partnership. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The Board wishes to announce that following the Completion, Shenzhen Huayi Biotechnology had on 4 December 2023 placed RMB14,500,000 of the fund received by it from the Disposal with China Merchant Bank (the "**Bank**") by subscribing certain financial assets as a short-term treasury management measure and all these financial assets had been redeemed by Shenzhen Huayi Biotechnology on 4 January 2024 and 15 January 2024.

THE FUND UNITS SUBSCRIPTION

On 4 December 2023, Shenzhen Huayi Biotechnology had through online banking subscribed with the Bank for 14,500,000 units (the "**Fund Units**") of an unlisted PRC investment fund known as 招銀理財招贏日日金 (transliterated as CMBFM Recruits Daily Cash) (the "**Fund**") which was managed by 招銀理財有限責任公司 (transliterated as CMB Financial Management Company Limited) ("**CMBFM**"), a wholly owned subsidiary of the Bank for the total consideration of RMB14,500,000 (equivalent to approximately HK\$15,823,850, at the exchange rate of approximately RMB1 to HK\$1.0913 as at 4 December 2023) (the "**Fund Units Subscription**").

The consideration paid by Shenzhen Huayi Biotechnology for the Fund Units was RMB1 per unit in the Fund which was arrived at as quoted by the Bank on its online portal. The Fund Units Subscription was funded by the fund received by Shenzhen Huayi Biotechnology following the Completion.

The Fund Units Subscription was accounted for by the Company in its annual results announcement for the year ended 31 December 2023 dated 22 March 2024 (the “**2023 Annual Results Announcement**”) as financial assets at fair value through profit or loss.

THE FUND UNITS REDEMPTION

On 4 January 2024 and 15 January 2024, Shenzhen Huayi Biotechnology had through online banking redeemed all its Fund Units at the Bank’s portal for the total consideration of RMB14,540,230 (equivalent to approximately HK\$15,777,604, at the exchange rate of approximately RMB1 to HK\$1.0851 as at 15 January 2024) (the “**Fund Units Redemption**”). The consideration for the Fund Units Redemption were arrived at as quoted by the Bank on its online portal. Following the Fund Units Redemption, Shenzhen Huayi Biotechnology did not hold any unit in the Fund.

As a result of the Fund Units Redemption, the Group had realized a return of RMB40,230 (equivalent to approximately HK\$43,654, at the exchange rate of approximately RMB1 to HK\$1.0851 as at 15 January 2024) from the Fund Units Redemption. The return realized by the Group from the Fund Units Redemption was included in other income and gains/(losses), net in the 2023 Annual Results Announcement.

It is expected the proceeds from the Fund Units Redemption will be used as general working capital to settle mainly salaries and lease payments of the Group and for its future business development.

INFORMATION OF THE GROUP

The Group is principally engaged in (i) trading 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.

INFORMATION OF THE FUND

The Fund was registered with the 全國銀行業理財信息登記系統 (transliterated as National banking financial information registration system) with product registration number Z7001622000581 and was rated by CMBFM with the lowest risk in the five risk scale levels.

The Fund does not provide any guaranteed return and is principally engaged in investment in bank deposits, central bank bills, interbank certificates of deposits and bonds and bond repurchases with the restrictions that it cannot invest in any shares, convertible notes, bonds with a credit rating below AA+ and any financial products the investment of which was forbidden by the National Financial Regulatory Administration or the People's Bank of China.

According to the 2023 third quarterly report of the Fund ended 30 September 2023 presented by CMBFM, the Fund had a net asset value of RMB11,855,783,958.38 and an annualized rate of return of 2.34% for the past three months and 2.50% since inception of the Fund on 30 March 2023 respectively.

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

REASONS FOR AND BENEFITS OF THE FUND UNITS SUBSCRIPTION AND THE FUND UNITS REDEMPTION

As mentioned above, the Fund Units Subscription and Fund Units Redemption were short-term treasury management measure of fund received by Shenzhen Huayi Biotechnology following the Completion that had no immediate plan for its use and were carried out in order to generate higher return for the Group than placing the fund at fixed bank deposit at the interest rates ranging from 0.8% per annum for 7 days fixed deposit to 1.15% for 3 months fixed deposit quoted by the Bank and the Directors believed the Fund Units Subscription and Fund Units Redemption were on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in each of the Fund Units Subscription on a standalone basis and the Fund Units Redemption on a standalone basis and on an aggregate basis under rules 19.22 and 19.23 of the GEM Listing Rules were more than 5% but less than 25%, each of the Fund Units Subscription and the Fund Unit Redemption constituted a discloseable transaction for the Company and was subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules. Failure by the Company to comply with the requirements applicable to the Fund Units Subscription and the Fund Units Redemption as and when each of them took place constituted non-compliances with Chapter 19 of the GEM Listing Rules.

The non-compliances with Chapter 19 of the GEM Listing Rules were due to the miscomprehension by Shenzhen Huayi Biotechnology's general manager of the difference in nature between deposit with bank and low-risk financial assets when authorizing the Fund Units Subscription and the Fund Units Redemption and that each of them would constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. As a result, Shenzhen Huayi Biotechnology did not bring the attention of those transactions to the management team of the Company and the Board for assessment on their respective implications under Chapter 19 of the GEM Listing Rules and sought the consent of the Board prior to carrying them out.

The Company regrets its non-compliances with the GEM Listing Rules as disclosed in this announcement, and it would like to stress that such non-compliances were inadvertent and unintentional, and the Company has no intention to withhold any information relating to the Fund Units Subscription and the Fund Units Redemption.

To rectify and remedy the non-compliances, the Company has published this announcement pursuant to the requirements under Chapter 19 of the GEM Listing Rules. Further, in order to avoid such non-compliances from being recurred again, the Board and the management of the Company will closely monitor the exercise of treasury management of its subsidiaries with substantial fund holdings, including but not limited to placement of funds on conventional deposits or financial or wealth management products in the future, the Board will also issue directive to all its subsidiaries to direct them that in their future treasury management exercises they shall not make any placement of fund on any financial or wealth management product unless prior written consent by the Board is being obtained.

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

Hong Kong, 22 April 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 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>.