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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 IN RELATION TO THE PROPOSED DISPOSAL OF A PROPERTY HOLDING COMPANY AND THE PROPOSED LEASEBACK OF PROPERTY

THE DISPOSAL

The Company announces that on 22 July 2025 (after trading hours of the Stock Exchange), the Company as seller and the Buyer, an Independent Third Party, as buyer have entered into the Preliminary Agreement, pursuant to which the Company has conditionally agreed to sell and Buyer has conditionally agreed to purchase, the Sale Share and the Sale Loans, representing the entire issued share capital in the Target Company and all the outstanding intra-group loans owing by the Target Company to other members of the Group respectively as at the Completion Date, for a total consideration of HK$29,000,000.

It is expected that the Company and the Buyer will enter into the Formal Agreement to provide for further terms and conditions on the Disposal and the Leaseback Arrangement within 30 days from the date of the Preliminary Agreement. Further announcement will be made by the Company to keep the Shareholders and potential investors of the Company informed.

Upon Completion, the Company will cease to have any interest in the Target Company.

THE LEASEBACK ARRANGEMENT

Under the Preliminary Agreement the Company and the Buyer have also conditionally agreed on the Leaseback Arrangement, pursuant to which if Completion materializes, the Company or one of its subsidiaries shall lease back the Property from the Target Company for a term of two years commencing from the Completion Date at the monthly rent of HK$130,000.

The terms and conditions of the separate Lease Agreement for the Leaseback Arrangement are expected to be agreed at or before the entering of the Formal Agreement and the Lease Agreement will be entered into between a member of the Group (as tenant) and the Target Company (as landlord) at or before the Completion Date.

Pursuant to HKFRS 16, the Leaseback Arrangement and the entering into the Lease Agreement as tenant will require the Group to recognize the right-of-use assets and lease liabilities on its consolidated statement of financial position, thus the Leaseback Arrangement and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the GEM Listing Rules.

GEM LISTING RULE IMPLICATIONS

As the one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major disposal transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

As all the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Leaseback Arrangement calculated based on the value of the right-of-use assets recognized by the Group pursuant to HKFRS 16 are below 5%, the Leaseback Arrangement and the transaction contemplated thereunder do not constitute a notifiable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder.

The voting in respect of the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder at the EGM will be conducted by way of poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders or any of their associates has any material interest in the resolutions proposed to be passed at the EGM relating to the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder, and will be required to abstain from voting thereon at the EGM.

A circular containing, among other things, (i) further information on the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder, (ii) other information as required under GEM Listing Rules, and (iii) a notice of the EGM is expected to be despatched to the Shareholders within 15 business days after the Formal Agreement is being entered between the Company and the Buyer.

WARNING

Completion of the Disposal and the Leaseback Arrangement are subject to the fulfilment of the conditions precedent set out in the Preliminary Agreement, the Formal Agreement and the Lease Agreement, respectively, and therefore the Disposal and the Leaseback Arrangement may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

(I) THE DISPOSAL

The Company announces that on 22 July 2025 (after trading hours of the Stock Exchange), the Company as seller and the Buyer, an Independent Third Party, as buyer entered into the Preliminary Agreement, pursuant to which the Seller has conditionally agreed to sell and the Buyer has conditionally agreed to purchase the Sale Share and the Sale Loans representing the entire issued share capital in the Target Company and all the outstanding intra-group loans owing by the Target Company to other members of the Group respectively as at the Completion Date, for a total consideration of HK$29,000,000.

The Preliminary Agreement

The principal terms of the Preliminary Agreement are as follows:

Date: 22 July 2025

Parties:
(a) the Company; and

(b) the Buyer.

To the best Directors' knowledge, information and belief having made all reasonable enquiry, the Buyer and the Agent and their respective directors and ultimate beneficial owners are all Independent Third Parties.

Assets to be disposed of:

Pursuant to the Preliminary Agreement, the Company has conditionally agreed to dispose of, and the Buyer has conditionally agreed to purchase the Sale Share and the Sale Loans representing the entire issued share capital in the Target Company and all the outstanding intra-group loans owing by the Target Company to other members of the Group respectively as at the Completion Date.

As at 30 June 2025, the unaudited amount of loans owing by the Target Company to the other members of the Group amount to approximately HK$26,909,000.

Consideration:

The Consideration is HK$29,000,000, which shall be payable by the Buyer to the Company in cash in the following manner:

(a) an initial deposit of HK$1,450,000 has been paid by the Buyer to the Company upon signing of the Preliminary Agreement;

(b) a further of HK$1,450,000 shall be paid by the Buyer to the Company upon signing of the Formal Agreement; and

(c) the balance of HK$26,100,000 shall be paid by the Buyer to the Company at or before the Completion.

The Consideration was arrived at between the Seller and the Buyer after arm's length negotiations and was determined with reference to a preliminary valuation to Property of approximately HK$29,000,000 as of 22 July 2025 prepared by an independent valuer engaged by the Company.

Conditions precedent for the Disposal:

Completion is subject to the following conditions having been fulfilled:

(a) the Formal Agreement is being entered into;

(b) the Buyer is satisfied with the Target Company's title to the Property and the results of the due diligence review on the affairs of the Target Company; and

(c) the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder are being approved by the Shareholders at the EGM.

Completion:

Completion shall take place within one and a half month after the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder are being approved by the Shareholders at the EGM. At Completion:

(a) the Buyer shall effect full payment of the remaining balance of the Consideration to the Company;

(b) Company shall:

  (i) fully repay the outstanding principal of the mortgage loan on the Property together with all interest accrued thereon calculated up to and inclusive of the Completion Date;

  (ii) transfer the Sale Share to the Buyer;

  (iii) procure all the Sale Loans to be assigned to the Buyer; and

(c) the Leaseback Arrangement shall be commenced in accordance with the Lease Agreement.

As at the date of this announcement, the Property is subject to HK$25,000,000 outstanding principal of the mortgage loan.

Upon Completion, the Company will cease to have any interest in the Target Company.

Service Fee:

The Company shall pay a service fee of HK$580,000 (equivalent to 2% of the Consideration) to the Agent for broking the transaction under the transactions between the Company and the Buyer under the Preliminary Agreement.

Stamp Duty:

Stamp duty shall be paid by the Company and the Buyer of 50% each.

(II) THE LEASEBACK ARRANGEMENT

Under the Preliminary Agreement the Company and the Buyer have also conditionally agreed on the Leaseback Arrangement, pursuant to which if Completion materializes, the Company or one of its subsidiaries shall lease back the Property from the Target Company. The principal terms of the Leaseback Arrangement are set out below:

Parties:	(a) The Target Company as landlord; and
	(b) The Company or one of its subsidiaries as the tenant
Term:	Two years commencing from the Completion Date
Premises:	The Property with existing fixtures and fittings
Rental:	HK$130,000 per month exclusive of all outgoings, including management fee, air-conditioning, rates and government rents, etc.
Security deposit:	HK$390,000, equivalent to three months' rental
Usage:	Office

The terms of the Leaseback Arrangement were determined between the Company and the Buyer after arm's length negotiations with reference to a preliminary valuation report prepared by an independent professional valuer engaged by the Company in respect of the Property in the existing state with market rent of HK$130,000 per month on 22 July 2025, equivalent to, approximately to a monthly rental of HK$40.56 per square feet for the Property at the gross floor area of approximately 3,205 square feet.

Conditions precedent for the Leaseback Arrangement

The Leaseback Arrangement is subject to the Completion being materialized.

Lease Agreement:

The terms and conditions of the separate Lease Agreement for the Leaseback Arrangement are expected to be agreed at or before the entering of the Formal Agreement and the Lease Agreement will be entered into between a member of the Group as tenant and the Target Company as landlord at or before the Completion Date.

Right-of-use assets under the Leaseback Arrangement

Pursuant to HKFRS 16, the Leaseback Arrangement and the entering into the Lease Agreement as tenant will require the Group to recognize the Property as the right-of-use assets on its consolidated statement of financial position, thus the Leaseback Arrangement and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the GEM Listing Rules. A right-of-use assets and lease liabilities of approximately HK$2,941,000 will be recognized under the Lease Agreement. Such amount is unaudited and may be subject to adjustment.

INFORMATION ON THE TARGET COMPANY

The Target Company is a private limited company incorporated under the laws of Hong Kong on 25 October 2010 and a direct wholly-owned subsidiary of the Company. The Target Company is an asset holding company and its only asset is the Property. The Target Company has also provided a mortgage over the Property as collateral to a term loan obtained by the Company.

Financial Information of the Target Company

Set out below is the financial information of the Target Company based on the audited financial statements of the Target Company for the years ended 31 December 2022, 2023 and 2024:

	For the year ended 31 December 2022	**For the year ended 31 December 2023**	**For the year ended 31 December 2024**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	–	240	120
Loss before taxation	(2,808)	(3,922)	(4,918)
Loss after taxation	(2,627)	(3,741)	(4,736)
Total assets	31,180	22,055	19,795
Total liabilities	(57,191)	(51,806)	(54,282)
Net liabilities	(26,011)	(29,751)	(34,487)

Set out below is the financial information of the Target Company based on the unaudited financial statements of the Target Company for the period of six months ended 30 June 2025:

	For the six months ended 30 June 2025
	HK$'000
Revenue	–
Loss before taxation	(2,266)
Loss after taxation	(2,176)
Total assets	17,228
Total liabilities	(53,891)
Net liabilities	(36,663)

INFORMATION OF THE PROPERTY

The Property is an office premises and has a gross floor area of approximately 3,205 square feet. The Property has been occupied by the Group prior to the Disposal. The net book values of Property as at 31 December 2024 (audited) and 30 June 2025 (unaudited) were approximately HK$17,879,000 and HK$17,072,000 respectively.

INFORMATION ON THE GROUP

The Company is an investments holding company. The Group is principally engaged in (i) trading of motor vehicles, provision of agency services and accessories sourcing in the People's Republic of China, excluding Hong Kong; and (ii) trading of listed securities in Hong Kong.

INFORMATION ON THE BUYER

The Buyer is a company incorporated under the laws of Hong Kong with limited liability. The Group has no previous dealings or transactions with the Buyer, its director(s) or ultimate beneficial owner(s) prior to the entering of the Preliminary Agreement.

FINANCIAL EFFECT OF THE DISPOSAL

Immediately following the Completion, the Group will cease to hold any interest in the Target Company, and the Target Company shall cease to be a subsidiary of the Company and the financial results of the Target Company will not be consolidated into the financial statements of the Group.

It is estimated that an unaudited gain of approximately HK$12,675,000 will arise from the Disposal. Such estimated unaudited gain is calculated with reference to (i) the consideration for the Disposal of HK$29,000,000; (ii) the unaudited net asset value of the Group's interest in the Target Company of approximately HK$15,246,000 as at 30 June 2025 (excluding mortgage loan and Sale Loans of HK$25,000,000 and HK$26,909,000 respectively); and (iii) all relevant expenses and taxes incidental to the Disposal of approximately HK$1,079,000. Shareholders shall note that the above estimation is for information purpose only, the actual amount of gain will be subject to final audit by the auditors of the Company.

Following the Completion, the Group expects to recognise a right-of-use assets and lease liabilities on the Leaseback Arrangement of approximately HK$2,941,000 and HK$2,941,000 (being the present value of the aggregate lease payments to be made under the Leaseback Arrangement determined by an incremental borrowing rate of approximately 5.75%) respectively.

USE OF PROCEEDS

The net proceeds from the Disposal, after deducting the expenses directly attributable thereto, including commission to the Agent, legal, accounting and valuation costs and expenses, etc. of approximately HK$1,050,000 and the stamp duty payable of approximately HK$29,000, will amount to approximately HK$27,921,000. The Group intends to use the net proceeds in the following manner:

(a) HK$25,750,000 to repay the principal of the loan and accrued interest thereon secured by the mortgage over the Property; and

(b) The remaining balance of approximately HK$2,171,000 for the general working capital of the Group.

REASONS AND BENEFITS OF THE DISPOSAL

The Board has been assessing the development of the business environment and commercial property market in Hong Kong and reviewing the Group's options over the Property. The Directors are of the view that the Disposal would benefit the Group by realising its investment in the Property to address the downward trend and uncertainty of the commercial property market in Hong Kong and improving the liquidity and overall financial position of the Group while the Leaseback Arrangement will allow the Group to continue to occupy the Property without having to incur effort and costs to looking for alternative office premises for relocating the Group and to reinstate the Property to bareshell condition at the end of the Lease Agreement. Furthermore, the monthly rental under the Leaseback Arrangement will be lower than the current monthly interest payment on the mortgage of the Property. After the Disposal, the proceeds will be applied toward the outstanding mortgage balance and thus can reduce the associated monthly financial obligation which then can improve the cash flow, maintain operational use of the Property and enhance financial flexibility.

The Directors consider the terms of the Disposal and Leaseback Arrangement including the terms of the Preliminary Agreement are on normal commercial terms, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major disposal transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

Pursuant to HKFRS 16, the Leaseback Arrangement and the entering into the Lease Agreement as tenant will require the Group to recognize the Property as the right-of-use assets and lease liabilities on its consolidated statement of financial position, thus the Leaseback Arrangement and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the GEM Listing Rules.

As all the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Leaseback Arrangement calculated based on the value of the right-of-use assets recognized by the Group pursuant to HKFRS 16 are below 5%, the Leaseback Arrangement and the transactions contemplated thereunder do not constitute a notifiable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

None of the Directors has material interest in the Disposal and the Leaseback Arrangement and hence no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Preliminary Agreement for the Disposal, the Leaseback Arrangement and the respective transactions contemplated thereunder.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder.

The voting in respect of the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder at the EGM will be conducted by way of poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders or any of their associates has any material interest in the resolutions proposed to be passed at the EGM relating to the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder and will be required to abstain from voting thereon at the EGM.

A circular containing, among other things, (i) further information on the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder, (ii) other information as required under GEM Listing Rules, and (iii) a notice of the EGM is expected to be despatched to the Shareholders within 15 business days after the Formal Agreement is being entered between the Company and the Buyer.

WARNING

Completion of the Disposal and the Leaseback Arrangement are subject to the fulfilment of the conditions precedent set out in the Preliminary Agreement, the Formal Agreement and the Lease Agreement, respectively, and therefore the Disposal and the Leaseback Arrangement may or may not proceed. Shareholders and potential investors of the Company are advised 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:

"Agent"	Nobleheart Ace Solutions Limited, a company incorporated under the laws of Hong Kong with limited liability
"Buyer"	Best Properties Limited, a company incorporated under the laws of Hong Kong with limited liability

"Board"	the board of Directors
"Company" or "Seller"	Sinofortune Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8123)
"Completion"	completion of Disposal in accordance with the terms and conditions of the Formal Agreement
"Completion Date"	the date of which Completion shall take place
"connected person"	has the meaning ascribed thereto under the GEM Listing Rules
"Consideration"	a total amount of HK$29,000,000, being the consideration for the Sale Share and the Sale Loans
"Director(s)"	the director(s) of the Company
"Disposal"	the proposed disposal of the Sale Share and the Sale Loans
"EGM"	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder
"Formal Agreement"	the formal agreement to be entered into between the Company and the Buyer to the include further terms and conditions for the Disposal, the Leaseback Arrangement and the transactions contemplated thereunder
"GEM"	the GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong "	Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third party(ies) independent of the Company and its connected persons in accordance with the GEM Listing Rules
"Lease Agreement"	the conditional agreement to be entered into between the Company or a member of the Group as tenant and the Target Company as landlord for the Leaseback Arrangement
"Leaseback Arrangement"	the proposed leasing back of the Property by the Group from the Target Company for a term of two years commencing from the Completion Date at the monthly rental of HK$130,000
"Preliminary Agreement"	the conditional preliminary agreement dated 22 July 2025 entered into between the Company and the Buyer for the Disposal and the Leaseback Arrangement
"Property"	16th Floor and Lavatory A and B of C.M.A Building, No.64 Connaught Road Central and No.133 Des Voeux Road Central, Hong Kong
"Sale Loans"	all the intra-group loans owing by the Target Company to the Group as at the Completion Date
"Sale Share"	one share in the Target Company, being the entire issued share capital of the Target Company owned by the Company
"Share(s)"	ordinary share(s) with a nominal value of HK$0.01 each in the capital of the Company
"Shareholders"	holder(s) of the issued Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	Sinofortune Property Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
"%"	per cent

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

Hong Kong, 22 July 2025

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 Benzheng, 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.