



首 華 財 經 網 絡 集 團 有 限 公 司

FIRST CHINA FINANCIAL NETWORK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 08123

# 2015

## First Quarterly Report



## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Pursuant to Chapter 36 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Securities and Futures Commission (the “**SFC**”) regulates First China Financial Network Holdings Limited (the “**Company**”) in relation to the listing of its shares on GEM of the Stock Exchange. The SFC, The Hong Kong Exchanges and Clearing Limited, and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors of the Company (the “**Directors**”) 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: (i) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



## Highlights

The Group recorded a turnover of approximately HK\$6,300,000 for the three months ended 31 March 2015.

Profit for the three months ended 31 March 2015 was approximately HK\$23,066,000.

Profit attributable to owners of the Company for the three months ended 31 March 2015 amounted to approximately HK\$22,308,000.

Basic earnings per share was 0.34 HK cents and diluted earnings per share was 0.34 HK cents.

The Directors do not recommend the payment of a dividend for the three months ended 31 March 2015.



## First Quarterly Results (Unaudited)

The Board of Directors of the Company (the “Board”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the period ended 31 March 2015 together with the comparative unaudited figures for the corresponding period in 2014.

### Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Three months ended 31 March	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Revenue	3	6,300	11,504
Cost of sales		(14)	–
Gross profit		6,286	11,504
Other income and gains	4	31,508	45
Employee benefits expenses		(10,352)	(6,740)
Depreciation of property, plant and equipment		(1,005)	(1,056)
Amortization of intangible assets		(525)	–
Finance costs		(91)	(102)
Other operating expenses		(6,607)	(9,229)
Share of profit/(loss) of associate		3,852	(263)
Profit/(loss) before income tax		23,066	(5,841)
Income tax expense	5	–	–
Profit/(loss) for the period		23,066	(5,841)
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences		32	(989)



<b>Three months ended</b>			
<b>31 March</b>			
	Note	<b>2015</b>	2014
		<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
Other comprehensive income/(expense) for the period, net of tax		<b>32</b>	(989)
Total comprehensive income/(expense) for the period		<b>23,098</b>	(6,830)
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		<b>22,308</b>	(6,555)
Non-controlling interests		<b>758</b>	714
		<b>23,066</b>	(5,841)
<b>Total comprehensive income/(expense) for the period attributable to:</b>			
Owners of the Company		<b>22,335</b>	(7,533)
Non-controlling interests		<b>763</b>	703
		<b>23,098</b>	(6,830)
<b>Earnings/(loss) per share attributable to owners of the Company for the period:</b>			
Basic earnings/(loss) per share (HK cents)	6	<b>0.34</b>	(0.15)
Diluted earnings/(loss) per share (HK cents)	6	<b>0.34</b>	(0.15)

# Condensed Statements of Changes in Equity

For the three months ended 31 March 2015

	Attributable to owners of the Company									
	Share capital	Share premium	Special reserve	Translation reserve	Warrants reserve	Share-based compensation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)
Balance as at 1 January 2014	44,590	1,075,500	4,779	10,791	223	23,255	(1,042,987)	116,151	2,607	118,758
Total comprehensive expense for the period	-	-	-	(978)	-	-	(6,555)	(7,533)	703	(6,830)
Balance as at 31 March 2014	44,590	1,075,500	4,779	9,813	223	23,255	(1,049,542)	108,618	3,310	111,928

	Attributable to owners of the Company									
	Share capital	Share premium	Special reserve	Translation reserve	Share-based compensation reserve	Accumulated losses	Total	Non-controlling interests	Total equity	
	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	HKS'000 (unaudited)	
Balance as at 1 January 2015	64,989	1,614,799	4,779	10,039	29,833	(928,447)	795,992	5,268	801,260	
Total comprehensive income for the period	-	-	-	27	-	22,308	22,335	763	23,098	
Equity-settled share options arrangement	-	-	-	-	2,646	-	2,646	-	2,646	
Share option scheme – vested share options lapsed	-	-	-	-	(1,297)	1,297	-	-	-	
Balance as at 31 March 2015	64,989	1,614,799	4,779	10,066	31,182	(904,842)	820,973	6,031	827,004	



Notes:

## **1. General Information**

First China Financial Network Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) is principally engaged in (i) the precious metals spot trading and brokerage services, (ii) research, exploration and development of the student safety network project and the electronic student card, (iii) provision of stock information and research services through the internet network, in the People’s Republic of China (the “PRC”), (iv) provision of securities and futures trading services and wealth management services in Hong Kong, and (v) trading and principal investments in the PRC and Hong Kong.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. The Company’s shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars, while the functional currencies of certain subsidiaries are Renminbi (“RMB”). The Company has selected Hong Kong dollar as its presentation currency as management considered it is more beneficial to the users of the unaudited condensed consolidated financial statements. These unaudited condensed consolidated financial statements have been approved and authorized for issue by the Board of Directors on 11 May 2015.

## **2. Basis of Preparation**

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards. They have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

In addition, the unaudited condensed consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The principal accounting policies applied in the preparation of these unaudited condensed consolidated financial statements were consistent with those applied for the financial statements of the Group for the year ended 31 December 2014.

### 3. Revenue

An analysis of the Group's revenue for the period is as follows:

	Three months ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Commission income from securities and futures brokerage	366	346
Commission income from precious metals brokerage	2,492	5,086
Spot trading profit on precious metals contracts, net	3,310	5,943
Trading of electronic student cards and school safely products	53	–
Interest income from clients	140	126
Net loss on trading of securities	(280)	–
Income from provision of wealth management services	–	3
Consultancy fee income	219	–
	<b>6,300</b>	11,504

### 4. Other Income and Gains

	Three months ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Other income		
CCASS fee income	9	8
Handling fee income	11	12
Interest income on bank deposits	146	18
Sundry income	386	7
	<b>552</b>	45
Other gains		
Financial assets at fair value through profit or loss		
– Fair value gains on securities trading	30,956	–
	<b>31,508</b>	45



## 5. Income Tax Expense

Hong Kong Profits Tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the period. No provision for Hong Kong Profits Tax has been made in the unaudited condensed consolidated financial statements as the Group incurred a tax loss for the period (2014: Nil). Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

## 6. Earnings/(Loss) Per Share

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Three months ended 31 March	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
<b>Profit/(loss)</b>		
Profit/(loss) for the purpose of basic and diluted earnings/(loss) per share	<b>22,308</b>	(6,555)
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for calculating basic earnings/(loss) per share	<b>6,498,958,120</b>	4,458,960,120
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	<b>5,994,337</b>	–
Weighted average number of ordinary shares in issue for calculating diluted earnings per share	<b>6,504,952,457</b>	4,458,960,120

The computation of diluted loss per share for the period ended 31 March 2014 does not assume the exercise of the Company's share options and warrants outstanding during the period ended 31 March 2014 since their exercise would result in a decrease in loss per share.



## 7. Share Capital and Premium

	Number of issued shares (in thousands)	Ordinary shares HK\$'000	Share premium HK\$'000	Total HK\$'000
As at 1 January 2015 and at 31 March 2015	6,498,958	64,989	1,614,799	1,679,788

The total authorized number of ordinary shares is 10,000,000,000 shares (2014: 10,000,000,000 shares) with a par value of HK\$0.01 per share (2014: HK\$0.01 per share). All issued shares are fully paid.

## 8. Dividend

The Directors do not recommend the payment of a dividend for the period ended 31 March 2015 (2014: Nil).



## Business Review

The Group recorded a turnover of approximately HK\$6.30 million in the first three months of the year 2015, it decreased approximately HK\$5.20 million compared with the last corresponding period. This was mainly due to the decrease of commission income from precious metals brokerage and spot trading profit on precious metals contracts.


For proprietary trading of stock, the Group recorded an unrealized gain of approximately HK\$30.96 million and realized loss of 0.28 million for the period under review.

In January 2015, the Company has entered into a strategic cooperation agreement in PRC with the People's Government of Fushun County, Fushun City, Liaoning Province, PRC concerning the development of bonded area for warehousing and logistics in Jiu Bing Town, Fushun County, Fushun City, Liaoning Province, PRC. The establishment of warehouse and logistic facilities, as for, including but not limited to, the settlement and delivery purposes of the relevant business of wholesale spot trading of various commodities from time to time of an associated company of the Group, Shenzhen Qianhai First China International Commodities Exchange Centre Limited.

As the Group is confidence in photovoltaic power generation business, a wholly owned subsidiary of the Group, First China Securities Consultancy (Shenzhen) Co. Ltd., entered into an agreement of intent in relation to the proposed acquisition of 100% of the registered capital of 民勤量子新能源有限公司 (transliterated as Minqin Quantum New Energy Co., Ltd.) ("Minqin"). According to the representations by the vendors, Minqin has commenced generating and supplying electricity to State Grid Gansu Electric Power Corporation (國網甘肅省電力公司). The Group is now exercising due diligence works on Minqin and no formal sale and purchase agreement has been entered at this stage.

## Financial Review

The Group recorded an unaudited revenue of approximately HK\$6.30 million for the three months ended 31 March 2015, compared with that of approximately HK\$11.50 million, decreased approximately HK\$5.20 million or 45.2%, with the corresponding period in 2014. The decrease in revenue was mainly due to the decline in the precious metals spot trading and brokerage business which operated in the PRC. The commission income from precious metals brokerage, decreased 51.0%, recorded approximately HK\$2.49 million and the spot trading profits on precious metal contracts, decreased 44.3%, recorded approximately HK\$3.31 million compared with approximately HK\$5.09 million and approximately HK\$5.94 million respectively for the same period of last year.



However, the Group recorded an unaudited profit for the three months ended 31 March 2015 to approximately HK\$23.07 million, turnaround from loss of approximately HK\$5.84 million for the corresponding period. The significant improve of the result due to the unrealized fair value gains on listed equity investments of approximately HK\$30.96 million.

For the three months ended 31 March 2015, the basic earnings per share for the reporting period attributable to owners of the Company were approximately 0.34 HK cents while the basic loss per share was approximately 0.15 HK cents for the same period last year. The equity attributable to owner of the Company amounted to approximately HK\$820.97 million as at 31 March 2015, representing an increase of approximately HK\$24.98 million, or 3.1% from that of 31 December 2014.

## Outlook

Despite of the current businesses of the Group, such as provision of brokerage and securities margin financing services, precious metals brokerage and spot trading, trading of electronic student cards and school safety products, and trading and principal investments etc., we intended to get into the photovoltaic power generation industry through proposed acquisition of 100% of the registered capital of Minqin Quantum New Energy Co., Ltd. which engaged in the photovoltaic power generation business in PRC. The Group will continuously conduct due diligence works on Minqin in relation to the proposed acquisition.

In addition, the Group has entered into the framework investment agreement with the Fushun Municipal People's Government of Fushun City, Liaoning Province, PRC and 內蒙古香島光伏農業有限公司 (transliterated as Inner Mongolia Xiang Dao Photovoltaic Agricultural Company Limited) concerning the proposed investment in the agricultural industrial park and photovoltaic power generation plant project with a total investment of RMB2.3 billion in Fushun City, Liaoning Province, PRC. It provides an opportunity for the Group to get into the photovoltaic power generation industry and agricultural industry. This proposed investment is still at the stage of framework investment agreement and no definite formal agreement be yet executed.

Furthermore, in view of a blazing atmosphere in China and Hong Kong stock markets, the Group is optimistic on these stock markets and the performance of the proprietary stock trading record of the group is good. Therefore, the Board has decided to further invest HK\$40 million on the proprietary trading of stock in Hong Kong and the mainland stock markets.

The Group will continue to develop the innovative businesses and look for opportunities to expand the income sources in order to enhance the revenue of the Group.

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2015, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### (a) Long positions in shares of the Company

Name of Directors	Number of shares			Total	Approximate percentage of shareholding
	Personal Interests	Family Interests	Corporate Interests		
Wang Wenming (Note 1)	450,212,307	145,116,650	-	595,328,957	9.16%
Lee Yiu Sun	110,060,000	-	-	110,060,000	1.69%
Wang Jiawei	202,043,628	-	-	202,043,628	3.11%
Liu Runtong	2,646,000	-	-	2,646,000	0.04%

Note:

- (1) Mr. Wang Wenming held 450,212,307 shares of the Company. Ms. Chen Dongjin, the spouse of Mr. Wang Wenming, held 145,116,650 shares of the Company. As such, Mr. Wang Wenming was deemed to be interested in 595,328,957 shares of the Company.



**(b) Long positions in underlying shares of the Company**

***Share option scheme of the Company***

The share option scheme adopted by the Company on 17 December 2001 (the “Old Share Option Scheme”) has expired on 16 December 2011. The Company adopted a new share option scheme on its annual general meeting held on 21 June 2012 (the “New Share Option Scheme”) which complies with Chapter 23 of GEM Listing Rules.

The following table discloses the details of the share options held by the Directors and chief executive to subscribe for shares of the Company during the period ended 31 March 2015:

Name of Director	Date of grant	Number of share options					Option period	Exercise price (HK\$)
		Outstanding as at 1 January 2015	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding as at 31 March 2015		
Wang Wenming	13/04/2010	11,682,577	-	-	-	11,682,577	13/04/2010 – 12/04/2020	0.419
Lee Yiu Sun	13/04/2010	31,861,575	-	-	-	31,861,575	13/04/2010 – 12/04/2020	0.419
Lee Yiu Sun	05/09/2007	4,248,210	-	-	-	4,248,210	05/09/2007 – 04/09/2017	0.215
Liu Runtong	13/04/2010	31,861,575	-	-	-	31,861,575	13/04/2010 – 12/04/2020	0.419
Zhang Benzhen	13/04/2010	2,124,105	-	-	-	2,124,105	13/04/2010 – 12/04/2020	0.419
Haroon Hasan	22/09/2014	10,000,000	-	-	10,000,000 (Note 2)	-	22/09/2014 – 21/09/2024	0.518
James Beeland Rogers Jr.	22/09/2014	20,000,000	-	-	-	20,000,000	22/09/2014 – 21/09/2024	0.518
Chen Li	13/11/2014	15,000,000	-	-	-	15,000,000	13/11/2014 – 12/11/2024	0.590

Note:

- (2) With effect from 4 February 2015, Mr. Haroon Hasan resigned as an executive Director of the Company. Accordingly his entitlement to share option lapsed on the same date. Reference is made to the announcement of the Company dated 4 February 2015.

Save as disclosed above, at no time during the period under review was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executive to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and neither the Directors, nor the chief executive, nor any of their respective spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

**(c) Short positions in underlying shares of the Company**

Name of Director	Number of shares		Approximate percentage of shareholding
	Personal Interest	Corporate Interest	
Lee Yiu Sun (Note 3)	50,000,000	–	0.77%

Note:

- (3) Pursuant to an option deed dated 31 August 2005, Asia Network Holdings Limited entered into an option deed with Mr. Lee Yiu Sun ("Mr. Lee") whereby Mr. Lee granted Asia Network Holdings Limited an option to purchase all or part of his 50,000,000 shares in the Company at such time and such price when Mr. Lee intends to transfer or dispose of all or part of the shares to any person during the period commencing on 31 August 2005 till the date when Mr. Lee ceases to be interested in the shares.

Save as disclosed above, during the period under review, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (iii) are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.



## Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company

So far as is known to any Directors of the Company, as at 31 March 2015, the following persons (not being a Director of the Company) had interests in the shares or underlying shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

### (a) Long positions in shares of the Company

Name of shareholders	Capacity	Number of shares	Approximate percentage of shareholding
Wang Wenming and Chen Dongjin (Note 1)	Beneficial owners	595,328,957	9.16%
Zhu Wei	Beneficial owners	350,004,000	5.39%

Note:

- (1) Ms. Chen Dongjin held 145,116,650 shares of the Company. Ms. Chen Dongjin is the spouse of a Director of the Company, Mr. Wang Wenming who held 450,212,307 shares of the Company. As such, they were deemed to be collectively interested in 595,328,957 shares of the Company.

### (b) Long positions in underlying shares of the Company

Name of shareholders	Capacity	Number of shares	Approximate percentage of shareholding
Wang Wenming and Chen Dongjin (Note 2)	Beneficial owners	11,682,577	0.18%





Note:

- (2) Pursuant to the Old Share Option Scheme, Mr. Wang Wenming was granted share options on 13 April 2010, the number of shares underlying which was adjusted on 15 June 2010, to subscribe for 11,682,577 shares of the Company. Ms. Chen Dongjin is the spouse of Mr. Wang Wenming so they were deemed to be collectively interested in the share options to subscribe for 11,682,577 shares of the Company.

Save as disclosed above, as at 31 March 2015, the Company had not been notified of any other person (other than the Directors whose interests are set out in the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company” above) who had an interest or short position in the shares or underlying shares of the Company and was required to be recorded in the register required to be kept under Section 336 of the SFO and/or was directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.


## **Details of the Share Options Granted by the Company**

### ***Share Option Scheme of the Company***

The Company operates the share option scheme under which the persons working for the interest of the Group are entitled to an opportunity to obtain equity interest in the Company. Since the share option scheme adopted by the Company on 17 December 2001 (the “Old Share Option Scheme”) has expired on 16 December 2011. The Company adopted a new share option scheme on its annual general meeting held on 21 June 2012 (the “New Share Option Scheme”) which complies with Chapter 23 of GEM Listing Rules.

The outstanding options granted under the Old Share Option Scheme shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects. The provisions of the Old Share Option Scheme shall remain in full force and effect notwithstanding the expiry of the Old Share Option Scheme.

The New Share Option Scheme will remain valid for a period of 10 years commencing on 21 June 2012 and in such event, no further options will be offered but the provisions of the New Share Option Scheme shall in all other respects remain in full force and effect.



The number of shares in respect of which options may be granted under the share option scheme and any other share option schemes are not permitted to exceed 30% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders.

On 5 September 2007, 13 April 2010, 22 September 2014 and 13 November 2014, options to subscribe for 32,400,000 shares, 84,000,000 shares, 30,000,000 shares and 15,000,000 shares of the Company respectively were granted to the Directors and certain employees of the Company. As at 31 March 2015, details of the outstanding options were as follows:

Date of grant	Number of share options					Option period	Exercise price (HK\$)
	Outstanding as at 1 January 2015 (Note 1)	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding as at 31 March 2015 (Note 1)		
	05/09/2007	4,779,236	-	-	-		
13/04/2010	86,026,253	-	-	-	86,026,253	13/04/2010 – 12/04/2020	0.419
22/09/2014	30,000,000	-	-	10,000,000 (Note 2)	20,000,000	22/09/2014 – 21/09/2024	0.518
13/11/2014	15,000,000	-	-	-	15,000,000	13/11/2014 – 12/11/2024	0.590

Notes:

- (1) Pursuant to the Old Share Option Scheme, 32,400,000 and 84,000,000 shares of share options were granted by the Company on 5 September 2007 and 13 April 2010 respectively and were adjusted on 15 June 2010.
- (2) With effect from 4 February 2015, Mr. Haroon Hasan resigned as an executive Director of the Company. Accordingly his entitlement to share option lapsed on the same date. Reference is made to the announcement of the Company dated 4 February 2015.



## **Directors' Interest in Competing Business**

As at 31 March 2015, the Directors were not aware of any business or interest of each Director, management shareholder (as defined in the GEM Listing Rules) and the respective associates of each that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

## **Purchase, Redemption or Sale of Listed Securities**

During the period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

## **Directors' Securities Transaction**


The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors of the Company confirmed that they have complied with the required standard dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the period under review.

## **Compliance with Code on Corporate Governance Practice**

The Company has applied the principles and has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules throughout the period under review.

## **Audit Committee**

In compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, the Company has established an Audit Committee with written terms of reference which deal clearly with its authority and duties. The principal duties of the Audit Committee of the Company are to review and supervise the financial reporting process and internal control procedures of the Group.



The Audit Committee comprises 4 independent non-executive Directors, namely Professor Zhang Benzheng, Mr. Tony I Tong, Mr. Li Jianxing and Professor Chen Shu Wen.

The Audit Committee has reviewed the financial statements of the Group for the three months ended 31 March 2015 pursuant to the relevant provisions contained in the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

By order of the Board  
**First China Financial Network Holdings Limited**  
**Lee Yiu Sun**  
*Executive Director*

Hong Kong, 11 May 2015

*As of the date of this report, the executive Directors are Mr. Wang Wenming, Mr. Lee Yiu Sun, Mr. Wang Jiawei and Mr. Chen Li, the non-executive Directors are Mr. Liu Runtong and Mr. James Beeland Rogers Jr. and the independent non-executive Directors are Professor Zhang Benzheng, Mr. Tony I Tong, Mr. Li Jianxing and Professor Chen Shu Wen.*