



# Dafeng Port Heshun Technology Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8310



**First Quarterly  
Report 2016**

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

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This report, for which the directors (the “**Directors**”) of Dafeng Port Heshun Technology Company Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.

The board of Directors of the Company (the “**Board**”) is pleased to present the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 31 March 2016 (“the “**First Quarterly Financial Statements**”) together with the comparative figures for the corresponding periods in 2015 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2016

	Note	Unaudited Three months ended 31 March	
		2016 HK\$'000	2015 HK\$'000
<b>Revenue</b>	3	<b>49,344</b>	65,099
Cost of sales		<b>(42,135)</b>	(57,429)
Gross profit		<b>7,209</b>	7,670
Other income		<b>923</b>	3,367
Administrative expenses		<b>(14,217)</b>	(18,994)
Finance costs		<b>(154)</b>	(180)
Share of results of associates		<b>6</b>	(1,102)
<b>Loss before taxation</b>	4	<b>(6,233)</b>	(9,239)
Taxation	5	<b>60</b>	(40)
<b>Loss for the period</b>		<b>(6,173)</b>	(9,279)
<b>Other comprehensive income:</b>			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange difference arising from translation of foreign operations		<b>(165)</b>	–
<b>Total comprehensive (loss)/income for the period</b>		<b>(6,338)</b>	(9,279)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2016

	Note	Unaudited Three months ended 31 March	
		2016 HK\$'000	2015 HK\$'000
<b>Loss attributable to:</b>			
Equity holders of the Company		<b>(6,163)</b>	(8,601)
Non-controlling interests		<b>(10)</b>	(678)
		<b>(6,173)</b>	(9,279)
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		<b>(6,328)</b>	(8,601)
Non-controlling interests		<b>(10)</b>	(678)
		<b>(6,338)</b>	(9,279)
<b>Loss per share attributable to equity holders of the Company</b>			
Basic and Diluted (HK cents)	7	<b>(0.55)</b>	(0.77)

# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2016

## 1. CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 13 September 2011 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is an investment holding company.

## 2. BASIS OF PREPARATION

The First Quarterly Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The First Quarterly Financial Statements also complies with the applicable disclosure requirements under the GEM Listing Rules.

The First Quarterly Financial Statements have been prepared on a basis consistent with the accounting policies adopted in the Group’s audited financial statements for the year ended 31 December 2015.

### **Adoption of new/revised HKFRS**

The adoption of the new/revised HKFRS that are relevant to the Group and effective from the current period, did not have any significant effect on the results and financial position of the Group for the current and prior accounting periods.

The Group has not early adopted any new/revised HKFRS that have been issued but are not yet effective for the current period. The Directors have already commenced an assessment of the impact of these new and revised HKFRS but are not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group’s results of operations and financial position.

# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2016

## 3. REVENUE

Revenue, which represents income from provision of integrated logistics freight services, provision of fuel cards and provision of tractor repair and maintenance services and insurance agency services, is analysed by category as follows:

	Unaudited Three months ended 31 March	
	2016 HK\$'000	2015 HK\$'000
Income from provision of integrated logistics freight services	43,741	59,475
Income from provision of fuel cards	5,513	5,401
Tractor repair and maintenance services and insurance agency services fee	90	223
	<b>49,344</b>	65,099

## 4. LOSS BEFORE TAXATION

	Unaudited Three months ended 31 March	
	2016 HK\$'000	2015 HK\$'000
This is stated after charging:		
<b>Finance costs</b>		
Interest on bank loans, overdrafts and other borrowings wholly repayable within five years	62	107
Finance charge on obligations under finance leases	92	73
	<b>154</b>	180
<b>Other items</b>		
Depreciation	1,305	1,602
Operating lease payments on premises	2,864	3,144

# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2016

## 5. TAXATION

Hong Kong Profits Tax has been provided at the rate of 16.5% (2015: 16.5%) of the estimated assessable profits for the period. The People's Republic of China ("PRC") Enterprise Income Tax is calculated at the prevailing tax rate at 25% (2015: 25%) on taxable income determined in accordance with the relevant laws and regulations in the PRC.

	Unaudited Three months ended 31 March	
	2016 HK\$'000	2015 HK\$'000
<b>Current tax</b>		
Hong Kong Profits Tax		
— Current period	(60)	40
PRC Enterprise Income Tax		
— Current period	—	—
— Under-provision in prior period	—	—
Total income tax recognized in profit or loss	(60)	40

## 6. DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2016 (2015: Nil).

# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2016

## 7. LOSS PER SHARE

Basic loss per share for the three months ended 31 March 2015 and 2014 are calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

	Unaudited Three months ended 31 March	
	2016 HK\$'000	2015 HK\$'000
Loss attributable to equity holders of the Company	<b>(6,163)</b>	(8,601)
Weighted average number of ordinary shares in issue	<b>1,120,000,000</b>	1,120,000,000
Basic loss per share (HK cents)	<b>(0.55)</b>	(0.77)

Basic and diluted loss per share are the same as the Company did not have any dilutive potential ordinary shares during the three months ended 31 March 2016 and 2015.



# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2016

## 8. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserve	Other reserve	Accumulated profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2015 (audited)	11,200	106,171	(7,337)	1,360	170	(6,857)	24,277	128,984	2,726	131,710
Loss and total comprehensive income for the period	-	-	-	-	-	-	(8,601)	(8,601)	(678)	(9,279)
At 31 March 2015 (unaudited)	11,200	106,171	(7,337)	1,360	170	(6,857)	15,676	120,383	2,048	122,431

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserve	Other reserve	Accumulated profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2016 (audited)	11,200	106,171	(7,337)	891	170	(6,857)	169	104,407	335	104,742
Loss and total comprehensive income for the period	-	-	-	(165)	-	-	(6,163)	(6,328)	(10)	(6,338)
At 31 March 2016 (unaudited)	11,200	106,171	(7,337)	726	170	(6,857)	(5,994)	98,079	325	98,404

## 9. APPROVAL OF THE UNAUDITED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

The First Quarterly Financial Statements were approved and authorised for issue by the Board on 11 May 2016.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Company's shares were successfully listed on GEM of the Stock Exchange on 22 August 2013.

For the three months ended 31 March 2016 (the "**Period**"), the Group is principally engaged in the provision of integrated logistics freight services with a primary focus on logistics services between Hong Kong and the Pearl River Delta ("**PRD**") region and has the following major business activities during the Period under review.

Our integrated logistics freight services can be divided into below categories during the Period under review:

### 1. **Integrated logistics freight services**

#### (a) **Land and ocean freight services**

The land and ocean freight services composed as the core business of the Group. During the Period under review, the Group's containers throughput (to and from Hong Kong and PRD region) decreased by approximately 23.05% to 33,516 Twenty-foot Equivalent Units ("**TEU**") for the Period from 43,557 TEUs for the corresponding period in 2015. The Group recorded a decrease of approximately 20% of revenue in the land and ocean freight services to approximately HK\$44 million for the Period (2015: HK\$55 million).

During the Period, the Group had disposed certain redundant and old facilities and recognized a gain of approximately HK\$2.6 million (2015: HK\$3 million) to mitigate the negative impact of the decline in revenue.

#### (b) **Air freight forwarding services**

During the Period under review, the Group continued to focus on its air freight forwarding services within the East Asia region. The air freight forwarding services income decreased to approximately HK\$1,405 for the Period (2015: approximately HK\$3 million). The air freight forwarding services were adversely affected by weak air cargo demand, the Group will continue to keep track of the economic environment and review the future allocation of resources as and when required.

#### (c) **Operation equipment rental services**

During the Period under review, the Group recorded no income from operation equipment rental services (2015: HK\$1 million). The Group will keep looking for opportunities to lease out the unutilized equipment to increase source of income.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Supporting Services

The Group's income from supporting services comprising of provision of fuel cards and tractor repair and maintenance services and insurance agency services. The relevant income decreased from approximately HK\$6 million for the three months ended 31 March 2015 to approximately HK\$5.6 million for the Period.

### (a) Provision of fuel cards

During the Period, the increase in the Group's supporting services income was mainly driven by the increase in income from provision of fuel cards of approximately 2% as a result of increased marketing efforts for the promotion discount offered to our clients.

### (b) Tractor repair and maintenance services and insurance agency services

Tractor repair and maintenance services and insurance agency services, albeit their contribution to our Group's revenue being relatively insignificant, served as major types of value-added services to our land and ocean freight clients during the Period. The relevant revenue decreased by approximately 60% during the Period as compared with the corresponding period in 2015.

## OUTLOOKS

Looking forward, the Group will continue to engage in the integrated logistics freight service. The Group will also continue to enhance the core business in land and ocean freight services, expand our business in air freight forwarding business and explore other business and investment opportunities to diversify the revenue stream and business portfolios to enhance the interest of the shareholders of the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

The Group's revenue declined by approximately 24% to approximately HK\$49 million for the Period (2015: HK\$65 million). The decrease in revenue was mainly attributable to the decline of the Group's business in integrated logistics freight services.

The Group's cost of sales decreased by approximately 27% to approximately HK\$42 million for the Period (2015: HK\$57 million), mainly driven by the decline in revenue from integrated logistics freight services.

With the combined effects of revenue and cost of sales, the Company's gross profit margin increased to approximately 14.6% for the Period (2015: 11.8%).

The Group's finance cost amounted to approximately HK\$154,000 for the Period (2015: HK\$180,000), the finance costs consist of interest on bank loans, overdrafts and other borrowings as well as the finance charge on the obligation under finance lease.

The Group recorded the loss for the Period of approximately HK\$6,173,000 (2015: approximately HK\$9,279,000). The loss attributable to the equity holders of the Company was approximately HK\$6,163,000 (2015: approximately HK\$8,601,000) and the loss per share was 0.55 HK cents (2015: 0.77 HK cents).

## Capital structure

As at 31 March 2016, the Group's total equity attributable to equity holders of the Company amounted to HK\$98,079,000 (2015: HK\$120,383,000). The capital of the Company mainly comprises ordinary shares and capital reserves.

## Dividend

The Board does not recommend the payment of an interim dividend in respect of the Period (2015: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Potential discloseable and connected transaction in relation to acquisition of the entire equity interest in Dafeng Harbour Port Logistics Company Limited

On 22 February 2016, 鹽城大豐和順國際貿易有限公司 (Yancheng Dafeng Heshun International Trading Company Limited\*) (formerly known as 大豐和順物流有限公司 (Dafeng Heshun Logistics Company Limited\*)), a company established in the PRC and is an indirect wholly-owned subsidiary of the Company (the “**Purchaser**”) and 大豐海港港口有限責任公司 (Dafeng Harbour Port Limited Liability Company\*) (the “**Seller**”), a company established in the PRC and is a wholly-owned subsidiary of the controlling shareholder of the Company 江蘇大豐海港控股集團有限公司 (Jiangsu Dafeng Harbor Holdings Limited\*), entered into the conditional strategic purchase agreement (the “**Strategic Purchase Agreement**”) dated 22 February 2016 in relation to the acquisition (the “**Acquisition**”) of the entire equity interest in 大豐海港港口物流有限公司 (the “**Target Company**”), pursuant to which the Purchaser has conditionally agreed to purchase and the Seller has conditionally agreed to sell the entire equity interest in the Target Company at the consideration of RMB52 million, subject to (i) the approval of the independent shareholders to the Acquisition and the transactions contemplated thereunder at the extraordinary general meeting held on 11 April 2016; and (ii) the Purchaser has completed the relevant equity exchange procedures for the sale of state-owned assets and being confirmed as the buyer of the equity interest in the Target Company by the relevant equity exchange in the PRC. Upon the fulfillment of the above conditions (i) and (ii), the Purchaser and the Seller will enter into an equity transfer agreement (the “**Equity Transfer Agreement**”) which was annexed to the Strategic Purchase Agreement which will be the formal agreement governs the responsibilities and undertakings of the Purchaser and the Seller in relation to the Acquisition. The ordinary resolution to approve, confirm and ratify the Strategic Purchase Agreement, the Equity Transfer Agreement annexed to the Strategic Purchase Agreement and all the transactions contemplated thereunder was duly passed by the independent shareholders to the Acquisition by way of poll at the extraordinary general meeting held on 11 April 2016. The Target Company is considered to be a state-owned asset and such sale has to be conducted through open tenders with the relevant equity exchange (產權交易所) in the PRC. As at the date of this report, application has been made with the relevant equity exchange by the Seller for the sale of the Target Company. An announcement containing, among others things, (i) the result of the open tender, (ii) the final bid price offered by the successful bidder, and (iii) the entering into the Equity Transfer Agreement will be made by the Company as soon as practicable after the completion of the tender process.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board considers that it is in the best interest of the Group to continue to pursue the Acquisition as the Board considers that the Acquisition would enable the Group to further implement its expansion strategy of strengthening the Group's core business of providing integrated logistics freight services and increase and expand the Group's capacity in providing logistics freight services.

For details, please refer to (1) the announcement of the Company dated 13 November 2015; (2) the circular of the Company dated 8 December 2015; (3) the poll results announcement of the Company dated 23 December 2015; (4) the announcement of the Company dated 28 December 2015; (5) the announcement of the Company dated 22 February 2016; (6) the circular of the Company dated 22 March 2016; and (7) the poll results announcement of the Company dated 11 April 2016.

## OTHER INFORMATION

### **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 31 March 2016, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**")) which were required to be 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 were taken or deemed to have 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 relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

### **SHARE OPTION SCHEME**

The Company operates a share option scheme (the "**Scheme**") for the purpose of providing incentives and to recognize and acknowledge the contributions that eligible persons had made or may make to our Group. The Scheme has been adopted pursuant to the written resolutions of the sole shareholder of the Company passed on 3 August 2013. Since the Scheme came into effect after the Company was listed on GEM of the Stock Exchange, no share options were granted, exercised or cancelled by the Company under the Scheme during the Period and there were no outstanding share options under the Scheme as at 31 March 2016 and the date of this report.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2016, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity/ Nature of interests	Number of shares held (Note 1)	% of the Company's issued share capital (Approximate)
Dafeng Port Overseas Investment Holdings Limited (" <b>Dafeng Port</b> ") (Note 2)	Beneficial owner	740,040,000 (L)	66.08%
江蘇大豐海港控股集團有限公司 (Jiangsu Dafeng Harbor Holdings Limited*) (" <b>Jiangsu Dafeng</b> ") (Note 3)	Interest of controlled corporation	740,040,000 (L)	66.08%
大豐區人民政府 (People's Government of Dafeng District*) (" <b>PGDD</b> ") (Note 3)	Interest of controlled corporation	740,040,000 (L)	66.08%

Notes:

- The letter "L" denotes a long position in the interest in the issued share capital of the Company.
- Dafeng Port, a company incorporated in Hong Kong with limited liability, and is owned as to 40% by Jiangsu Dafeng, which in turn is wholly owned by PGDD.
- Jiangsu Dafeng and PGDD are deemed to be interested in the shares held by Dafeng Port under the SFO.

Save as disclosed above, as at 31 March 2016, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

\* for identification purpose only



## OTHER INFORMATION

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

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

### **COMPETING INTERESTS**

None of the Directors and controlling shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in any other companies as at 31 March 2016 which may, directly or indirectly, compete with the Group's business.

### **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all the Directors, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the Period.

### **CHANGE IN INFORMATION OF DIRECTORS**

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Director since the date of an annual report of the Company for the year ended 31 December 2016 are set out below:

<b>Name of Directors</b>	<b>Details of changes</b>
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Mr. Luk Chi Shing	— With effect from 7 March 2016, Mr. Luk Chi Shing has resigned as an independent non-executive Director and ceased to be the chairman and a member of each of the audit committee and the remuneration committee and a member of the nomination committee of the Board.
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### **CORPORATE GOVERNANCE CODE**

In the opinion of the Directors, the Company has complied all the code provision as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules for the Period except the followings:

## OTHER INFORMATION

In compliance with CG Code Provision I(f), Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules and for the Period, the number of independent non-executive Directors at all times exceeded one-third of the Board membership. As disclosed in the Company's announcement dated 4 March 2016, Mr. Luk Chi Shing resigned as an independent non-executive Director with effect from 7 March 2016, the Board consisted of ten Directors, among which only three of them were independent non-executive Directors. The number of independent non-executive Directors fell below one-third of the Board members as required under Rule 5.05A of the GEM Listing Rules.

According to (i) Rule 5.05(2) of the Rules (the "**GEM Listing Rules**") Governing of the Listing of Securities on The Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited, at least one of the independent non-executive directors of a listed issuer must have appropriate professional qualifications or accounting or related financial management expertise; (ii) Rule 5.05A, a listed issuer must appoint independent non-executive directors representing at least one-third of the board; and (iii) Rule 5.28, the audit committee must comprise a minimum of 3 members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2).

Following the resignation of Mr. Luk, the Company is not in compliance with Rules 5.05(2), 5.05A and 5.28 of the GEM Listing Rules. The Company will make its best endeavours to identify suitable candidates to fill the vacancies of the independent non-executive Director with appropriate professional qualification or accounting or related financial management expertise as soon as possible within three months from the date of resignation of Mr. Luk pursuant to Rule 5.06 of the GEM Listing Rules.

### AUDIT COMMITTEE

An audit committee of the Company (the "**Audit Committee**") has been established on 3 August 2013 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and code provision C.3.3. The members of the Audit Committee comprise Dr. Pang Jianming, Dr. Bian Zhaoxiang and Mr. Zhang Fangmao, all of whom are independent non-executive Directors. The chairman of the Audit Committee is Dr. Pang Jianming. The primary duties of the Audit Committee are mainly to make recommendations to our Board on the appointment and removal of the external auditor, review the financial statements and related materials and provide advice in respect of the financial reporting process and oversee the internal control procedures of our Group.

The First Quarterly Financial Statements have not been audited by the Company's auditor, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the First Quarterly Financial Statements complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

## OTHER INFORMATION

### APPRECIATION

On behalf of the Directors, I would like to extend our gratitude and sincere appreciation to all management and staff members for their diligence and dedication, the continuing support of our business partners, customers and the Company's shareholders.

By order of the Board  
**Dafeng Port Heshun Technology Company Limited**  
**Ni Xiangrong**  
*Chairman*

Hong Kong, 11 May 2016

As at the date of this report, the Board comprises the following members:

<i>Executive Directors</i>	<i>Non-executive Directors</i>	<i>Independent Non-executive Directors</i>
Mr. Ni Xiangrong ( <i>Chairman</i> )	Mr. Ji Longtao	Dr. Bian Zhaoxiang
Mr. Wang Yijun	Mr. Yang Yue Xia	Dr. Pang Jianming
Mr. Shum Kan Kim		Mr. Zhang Fangmao
Mr. Wang Zhi Qiang		
Mr. Lo Ka Man		