



**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)**



**First  
Quarterly  
Report  
2018**

## Characteristics of GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Directors”) of Sinofortune Financial Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) 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.*

## Highlights

The Group recorded a revenue of approximately HK\$124,098,000 for the three months ended 31 March 2018.

Loss for the three months ended 31 March 2018 was approximately HK\$815,000.

Loss attributable to owners of the Company for the three months ended 31 March 2018 amounted to approximately HK\$537,000.

Basic loss per share was 0.01 HK cents and diluted loss per share was 0.01 HK cents.

The Directors do not recommend the payment of a dividend for the three months ended 31 March 2018.

## 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 for the three months ended 31 March 2018 together with the comparative unaudited figures for the corresponding period in 2017.

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

	Note	Three months ended 31 March	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
<b>Revenue</b>	3	<b>124,098</b>	1,998
Other income and loss, net	4	<b>8,639</b>	(2,941)
Changes in inventories of finished good		<b>(119,630)</b>	(494)
Other direct costs		<b>(61)</b>	(46)
Employee benefits expenses		<b>(5,098)</b>	(5,425)
Depreciation of property, plant and equipments		<b>(954)</b>	(1,349)
Finance costs		<b>(47)</b>	(62)
Other operating expenses		<b>(7,762)</b>	(2,464)
Share of loss of associates		-	(909)
Loss before income tax		<b>(815)</b>	(11,692)
Income tax expense	5	-	-
<b>Loss for the period</b>		<b>(815)</b>	(11,692)
<b>Other comprehensive income/(loss):</b> <i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		<b>6,165</b>	80

	Note	Three months ended	
		31 March	
		2018	2017
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Other comprehensive income for the period, net of tax		6,165	80
Total comprehensive income/(loss) for the period		5,350	(11,612)
<b>Loss for the period attributable to:</b>			
Owners of the Company		(537)	(11,705)
Non-controlling interests		(278)	13
		(815)	(11,692)
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
Owners of the Company		5,627	(11,625)
Non-controlling interests		(277)	13
		5,350	(11,612)
<b>Loss per share attributable to owners of the Company for the period:</b>			
Basic loss per share (HK cents)			
From loss for the period	6	(0.010)	(0.180)
Diluted loss per share (HK cents)			
From loss for the period	6	(0.010)	(0.180)

## Condensed Consolidated Statements of Changes in Equity

For the three months ended 31 March 2018

	Attributable to owners of the Company										
	Share capital	Share premium	Other reserve	Special reserve	Statutory reserve	Translation reserve	Share-based compensation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance as at 1 January 2017	64,989	1,614,799	-	4,779	3,912	(18,467)	30,384	(1,237,574)	462,822	6,215	469,037
Loss for the period	-	-	-	-	-	-	-	(11,705)	(11,705)	13	(11,692)
Other comprehensive income for the period	-	-	-	-	-	80	-	-	80	-	80
Equity-settled share option arrangements	-	-	-	-	-	-	508	-	508	-	508
Balance as at 31 March 2017	64,989	1,614,799	-	4,779	3,912	(18,387)	30,892	(1,249,279)	451,705	6,228	457,933

	Attributable to owners of the Company										
	Share capital	Share premium	Other reserve	Special reserve	Statutory reserve	Translation reserve	Share-based compensation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance as at 1 January 2018	64,989	1,614,799	(16,000)	4,779	3,912	(9,181)	30,554	(1,371,889)	321,963	14,903	336,866
Loss for the period	-	-	-	-	-	-	-	(537)	(537)	(278)	(815)
Other comprehensive income for the period	-	-	-	-	-	6,165	-	-	6,165	-	6,165
Balance as at 31 March 2018	64,989	1,614,799	(16,000)	4,779	3,912	(3,016)	30,554	(1,372,426)	327,591	14,625	342,216

Notes:

## 1. General Information

Sinofortune Financial Holdings Limited and its subsidiaries are principally engaged in (i) provision of the precious metals spot trading and brokerage services in the PRC, (ii) provision of securities and futures contracts trading services in Hong Kong, (iii) trading and principal investments in the PRC and Hong Kong, (iv) research, exploration and development of the student safety network project and the electronic student card in the PRC, (v) provision of stock information and research services through the internet network in the PRC, and (vi) sales of motor vehicles and provision of agency services in the PRC.

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 GEM of 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 8 May 2018.

## 2. Basis of Preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. 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 and by the applicable disclosure requirements of the Hong Kong Companies Ordinance.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for the recognition of certain financial assets and financial liabilities at fair value through profit or loss.

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 2017.

### 3. Revenue

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

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Commission income from securities and futures brokerage	256	158
Trading of electronic student cards and school safety products	1,116	1,363
Interest income from clients	127	232
Sales of motor vehicles which the Group acts as principal	122,157	–
Agency fee income from trading of PRC-purchased motor vehicles	442	–
Consultancy fee income	–	245
<b>Revenue</b>	<b>124,098</b>	<b>1,998</b>



#### 4. Other Income and Loss, Net

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Other income</b>		
CCASS fee income	7	4
Interest income on bank deposits	39	181
Sundry income	211	203
	<b>257</b>	388
<b>Other gains/(loss)</b>		
Financial assets at fair value through profit or loss		
– Unrealized fair value gains/(losses) on securities trading	8,382	(3,329)
	<b>8,639</b>	(2,941)

#### 5. Income Tax Expense

Hong Kong Profits Tax has been provided at the rate of 16.5% (2017: 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 financial statements as the Group incurred tax losses for the period (2017: Nil).

PRC Enterprise Income tax has been provided at the rate from 15% to 25% (2017: 15% to 25%) on the assessable profits of the PRC subsidiaries arising in or derived from PRC for the period. In accordance with the "Catalogue of Encouraged Industries in Western Region" approved by the State Council, as one of the subsidiaries engaged in an encouraged business in Chongqing, it enjoys the reduced PRC Enterprise Income tax rate of 15% (2017: 15%). No provision for PRC Enterprise Income tax has been provided as the Group incurred tax losses for the period.

## 6. Loss Per Share

The calculation of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

	<b>Three months ended 31 March</b>	
	<b>2018 HK\$'000 (unaudited)</b>	<b>2017 HK\$'000 (unaudited)</b>
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share	(537)	(11,705)
<b>Number of shares</b>		
Issued ordinary shares at 1 January and 31 March	6,498,958,120	6,498,958,120
Weighted average number of ordinary shares in issue for calculating basic and diluted loss per share	6,498,958,120	6,498,958,120
<b>Loss per share</b>	(0.0001)	(0.0018)
<b>Diluted loss per share</b>	(0.0001)	(0.0018)

The computation of diluted loss per share for the period ended 31 March 2018 and 2017 did not assume the exercise of the Company's share options outstanding during the period ended 31 March 2018 and 2017 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
At 1 January 2018 and 31 March 2018	6,498,958	64,989	1,614,799	1,679,788

The total authorized number of ordinary shares is 10,000,000,000 shares (2017: 10,000,000,000 shares) with a par value of HK\$0.01 per share (2017: 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 2018 (2017: Nil).

## Business Review

The Group recorded revenue of approximately HK\$124.10 million in the first three months of the year 2018, which is an increase of approximately HK\$122.10 million compared with the corresponding period in 2017. This was mainly due to the new segment of sales of parallel imported motor vehicles and provision of relevant agency services in the PRC. Such new segment recorded HK\$122.60 million for the period ended 31 March 2018 and there was no information recorded for the period ended 31 March 2017 since 重慶盛渝泓嘉國際貿易有限公司 (transliterated as Chongqing Sheng Yu Hong Jia International Trading Company Limited) (“Sheng Yu Hong Jia”) was formed in August 2017.

For proprietary stock trading, the Group recorded an unrealized gain of approximately HK\$8.38 million and no realized profit or loss for the period under review.

The subsidiary of the Group, Sheng Yu Hong Jia which was 90% owned by the Company and 10% owned by 深圳美麗生態股份有限公司 (transliterated as Shenzhen Eco beauty Co., Ltd) (Shenzhen Stock Exchange Stock Code: 000010) at its formation, carry out the sales of parallel imported motor vehicles and provision of relevant agency services in the PRC for the Group.

At the extraordinary general meeting of the Company held on 9 April 2018, the proposed additional contribution of RMB50,000,000 by the Company to the registered capital of Sheng Yu Hong Jia was duly passed as an ordinary resolution of the Company. It led to further increase the Company's equity interest in Sheng Yu Hong Jia from 90% to 93.33% and significantly strengthen the capital base of Sheng Yu Hong Jia and will increase its trading capacity and competitiveness in the parallel import motor vehicle market of the PRC and is in the interests of the Company and the shareholders as a whole.

For the period ended 31 March 2018, the Group recorded the revenue of sales of motor vehicles approximately HK\$122.16 million and an agency fee income from trading of PRC-purchased motor vehicles approximately HK\$0.44 million. There was no information recorded for the period ended 31 March 2017.

## Financial Review

The Group recorded an unaudited revenue of approximately HK\$124.10 million for the three months ended 31 March 2018 as compared to approximately HK\$2.00 million for the corresponding period in 2017, there was an increase of approximately HK\$122.10 million or 61 times. The increase in turnover was mainly due to the increase in the sales of motor vehicles and provision of agency services business which operated in the PRC.

Due to the continuing tightened policy of the PRC Government on regulating the precious metals trading and brokerage business in the PRC, the business operation of the Group has not resumed for the three months ended 31 March 2018.

The segment of trading of electronic student cards and school safety products recorded revenue of approximately HK\$1.12 million for the three months ended 31 March 2018 and it recorded approximately HK\$1.36 million of revenue for the last corresponding period.

The business of sales of motor vehicles and provision of agency services commenced in October 2017. It recorded approximately HK\$122.60 million of revenue for the three months ended 31 March 2018.

The Group recorded an unaudited loss for the three months ended 31 March 2018 of approximately HK\$0.82 million compared with an unaudited loss of approximately HK\$11.69 million for the last corresponding period. The unaudited loss for the period encompassed the unaudited unrealized fair value gains on securities trading for approximately HK\$8.38 million and it recorded approximately HK\$3.33 million of unrealized fair value losses on securities trading for the last corresponding period. The basic loss per share attributable to owners for the Company for the reporting period with approximately HK\$0.01 cents compared to approximately HK0.18 cents for the same period last year.

The Group's total current assets as at 31 March 2018 amounted to approximately HK\$327.24 million and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 19.12 times. The Group's bank balances and cash amounted to approximately HK\$233.34 million as at 31 March 2018 of which approximately HK\$11.57 million were held on behalf of clients in trust and segregated accounts. The total borrowings amounted to HK\$6.05 million which was secured by the charges over certain of the Group's land and buildings and corporate guarantee executed by the Company. The gearing ratio of the Group as at 31 March 2018 (calculated by the total liabilities of approximately HK\$20.41 million over equity attributable to the owners of the Company of approximately HK\$327.59 million) is 6.23%.

The equity attributable to owner of the Company amounted to approximately HK\$327.59 million as at 31 March 2018, representing an increase of approximately HK\$5.63 million, or 1.75% from that of 31 December 2017.

## Outlook

In the first quarter of year 2018, almost 98.8% revenue of the Group came from the new segment of sales of parallel imported motor vehicles and provision of relevant agency services in the PRC. Chinese President Xi Jinping stated at the Boao Forum for Asia Annual Conference 2018 on 10 April 2018 that China will significantly lower the import tariffs for vehicles this year. This may result in the motor vehicles business of the Group can benefit from reducing the costs of importing motor vehicles. If the costs are reduced, the selling price of the imported motor vehicles will be more attractive to customers and more competitive with local motor vehicles, also the motor vehicles business may increase both turnover and sales volume. The Group expects that this policy will enhance and improve the performance of the Group.

As disclosed in the circular of the Company dated 19 March 2018, the motor vehicles business has a risk of reliance on a small number of customers. As at 31 March 2018, Sheng Yu Hong Jia has improved its number of customers and increased to 7 customers (among 3 of them are related companies). Sheng Yu Hong Jia will strive to increase more customers to reduce the level of reliance in the future.

The motor vehicles business is a new “green-field” business of the Group and it will expand the business by organic growth. As such, it is inevitable that at the initial and growth stage of the business, Sheng Yu Hong Jia will have limited number of customers. However, with the experience of the management team of Sheng Yu Hong Jia and the size of the motor vehicles market in the PRC and its potential when compared with other developed markets, the Group is confident that the motor vehicles business will continue to grow with increased number of customers.

Despite Hong Kong stock market was fluctuated, the Group is confident and optimistic about the prospects of the stock markets in the PRC and Hong Kong. We will closely monitor the changes in these stock markets in order to improve performance of the Group.

The Group will continue to develop other 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 2018, 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 Securities and Futures Ordinance (“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	Capacity	Number of shares	Approximate percentage of shareholding
Wang Jiawei	Beneficial owner	202,043,628	3.11%
Lai Yuk Mui	Beneficial owner	2,780,127	0.04%
Liu Runtong	Beneficial owner	2,646,000	0.04%

**(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 2018:

Name of Director	Date of grant	Number of share options				Outstanding as at 31 March 2018	Option period	Exercise price (HK\$)
		Outstanding as at 1 January 2018	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period			
Lai Yuk Mui	13/04/2010	3,186,158	-	-	-	3,186,158	13/04/2010 – 12/04/2020	0.419
Liu Runtong	13/04/2010	31,861,575	-	-	-	31,861,575	13/04/2010 – 12/04/2020	0.419
Zhang Benzheng	13/04/2010	2,124,105	-	-	-	2,124,105	13/04/2010 – 12/04/2020	0.419
James Beeland Rogers Jr.	22/09/2014	20,000,000	-	-	-	20,000,000	22/09/2014 – 21/09/2024	0.518
James Beeland Rogers Jr.	16/10/2015	20,000,000	-	-	-	20,000,000	16/10/2015 – 15/10/2025	0.238
James Beeland Rogers Jr.	09/11/2016	20,000,000	-	-	-	20,000,000	09/11/2016 – 08/11/2026	0.150

Save as disclosed above, at no time during the period 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

No short positions of Directors and chief executives in the underlying shares of the equity derivatives of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules.

## 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 2018, the following persons (not being a Director or a chief executive of the Company) had interests or short positions 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 owner	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 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**

<b>Name of shareholders</b>	<b>Capacity</b>	<b>Number of shares</b>	<b>Approximate percentage of shareholding</b>
Wang Wenming and Chen Dongjin (Note 2 and 3)	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.
- (3) With effect from 22 September 2015, Mr. Wang Wenming resigned as an executive Director of the Company.

Save as disclosed above, as at 31 March 2018, 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" 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. The Old Share Option Scheme has expired on 16 December 2011 and The Company adopted a 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 13 April 2010, 22 September 2014, 16 October 2015 and 9 November 2016, options to subscribe for 84,000,000 shares, 30,000,000 shares, 20,000,000 shares and 20,000,000 shares of the Company respectively were granted to the Directors and certain employees of the Company. As at 31 March 2018, details of the outstanding options were as follows:

Date of grant	Number of share options				Outstanding as at 31 March 2018	Option period	Exercise price (HK\$)
	Outstanding as at 1 January 2018	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period			
13/04/2010	82,840,095 (Note 1)	-	-	-	82,840,095 (Note 1)	13/04/2010 – 12/04/2020	0.419
22/09/2014	20,000,000	-	-	-	20,000,000	22/09/2014 – 21/09/2024	0.518
16/10/2015	20,000,000	-	-	-	20,000,000	16/10/2015 – 15/10/2025	0.238
09/11/2016	20,000,000	-	-	-	20,000,000	09/11/2016 – 08/11/2026	0.150

Note:

- (1) Pursuant to the Old Share Option Scheme, 84,000,000 shares of share options were granted by the Company on 13 April 2010 and were adjusted on 15 June 2010.

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

As at 31 March 2018, the Directors were not aware of any business or interest of each Director, controlling 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.

## **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, save and except for the following deviation.

### **Code Provision A.2.1**

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Wang Jiawei is the chairman and chief executive officer of the Company. In view of Mr. Wang has extensive experience in project management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Company. Under the supervision by the Board which is comprised of three independent non-executive Directors and two non-executive Directors, which represent more than half of the Board, the interests of the shareholders of the Company will be adequately and fairly represented.

## 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.

## 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 3 independent non-executive Directors, namely Professor Zhang Benzhen, 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 2018 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  
**Sinofortune Financial Holdings Limited**  
**Wang Jiawei**  
Chairman

Hong Kong, 8 May 2018

*As of the date of this report, the executive Directors are Mr. Wang Jiawei and Ms. Lai Yuk Mui, the non-executive Directors are Mr. Liu Runtong and Mr. James Beeland Rogers Jr. and the independent non-executive Directors are Professor Zhang Benzhen, Mr. Li Jianxing and Professor Chen Shu Wen.*