



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)

2020

First Quarterly Report



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\$22,815,000 for the three months ended 31 March 2020.

Loss for the three months ended 31 March 2020 was approximately HK\$7,648,000.

Loss attributable to owners of the Company for the three months ended 31 March 2020 amounted to approximately HK\$7,580,000.

Basic loss per share was 0.10 HK cents and diluted loss per share was 0.10 HK cents.

The Directors do not recommend the payment of a dividend for the three months ended 31 March 2020.



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 three months ended 31 March 2020 together with the comparative unaudited figures for the corresponding period in 2019.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Three months ended 31 March	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (Restated) (unaudited)
Continuing operations			
Revenue	3	22,815	8,972
Other income and loss, net	4	(31)	506
Changes in inventories of finished good		(21,881)	(8,517)
Other direct costs		(53)	(22)
Employee benefits expenses		(5,189)	(4,772)
Depreciation of property, plant and equipments		(588)	(1,386)
Depreciation of right-of-use assets		(73)	–
Amortisation of intangible assets		(8)	(40)
Gain on lease termination		35	–
Finance costs		(18)	(267)
Other operating expenses		(2,657)	(4,348)
Loss before income tax		(7,648)	(9,874)
Income tax expense	5	–	–

	Note	Three months ended	
		31 March 2020 HK\$'000 (unaudited)	2019 HK\$'000 (Restated) (unaudited)
Loss for the period from continuing operations		(7,648)	(9,874)
Loss for the period from discontinued operations	6	–	(849)
Loss for the period		(7,648)	(10,723)
Other comprehensive (loss)/income: <i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(3,672)	704
Other comprehensive (loss)/income for the period, net of tax		(3,672)	704
Total comprehensive loss for the period		(11,320)	(10,019)
Loss for the period attributable to:			
Owners of the Company		(7,580)	(10,555)
Non-controlling interests		(68)	(168)
		(7,648)	(10,723)

	Note	Three months ended	
		2020	2019
		HK\$'000	HK\$'000
		(unaudited)	(Restated) (unaudited)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(11,094)	(9,916)
Non-controlling interests		(226)	(103)
		(11,320)	(10,019)
Loss per share attributable to owners of the Company for the period:			
Basic loss per share (HK cents)	7		
From continuing and discontinued operations		(0.098)	(0.160)
From continuing operations		(0.098)	(0.145)
Diluted loss per share (HK cents)	7		
From continuing and discontinued operations		(0.098)	(0.160)
From continuing operations		(0.098)	(0.145)

Condensed Consolidated Statements of Changes in Equity

For the three months ended 31 March 2020

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Special reserve	Statutory reserve	Translation reserve	Share-based compensation reserve	Accumulated losses			
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)			
Balance as at 1 January 2019	77,489	1,673,299	4,779	3,912	(22,296)	30,554	(1,403,119)	364,618	13,557	378,175
Impact on initial application of HKFRS 16	-	-	-	-	-	-	(94)	(94)	-	(94)
Restated opening balance at 1 January 2019 under HKFRS 16	77,489	1,673,299	4,779	3,912	(22,296)	30,554	(1,403,213)	364,524	13,557	378,081
Loss for the period	-	-	-	-	-	-	(10,555)	(10,555)	(168)	(10,723)
Other comprehensive income for the period	-	-	-	-	639	-	-	639	65	704
Balance as at 31 March 2019	77,489	1,673,299	4,779	3,912	(21,657)	30,554	(1,413,768)	354,608	13,454	368,062
Balance as at 1 January 2020	77,489	1,673,299	4,779	3,912	(20,600)	21,624	(1,521,955)	238,548	7,428	245,976
Loss for the period	-	-	-	-	-	-	(7,580)	(7,580)	(68)	(7,648)
Other comprehensive loss for the period	-	-	-	-	(3,514)	-	-	(3,514)	(158)	(3,672)
Transaction with non-controlling interests	-	-	-	-	-	-	950	950	(2,037)	(1,087)
Balance as at 31 March 2020	77,489	1,673,299	4,779	3,912	(24,114)	21,624	(1,528,585)	228,404	5,165	233,569

Notes:

1. General Information

Sinofortune Financial Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) is principally engaged in (i) provision of the precious metals spot trading and brokerage services in the People’s Republic of China (“PRC”), (ii) provision of securities and futures contracts trading services in Hong Kong, (iii) trading and principal investments in the PRC and Hong Kong, and (iv) 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 authorised for issue by the Board of Directors on 8 May 2020.

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 and at fair value through other comprehensive income.

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 2019.

3. Revenue

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines for the period is as follows:

	Three months ended	
	31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Commission income from securities and futures brokerage services	150	111
– Sales of motor vehicles where the Group acts as principal	21,520	8,081
– Agency fee income from trading of motor vehicles and accessories sourcing	1,002	642
	22,672	8,834
Revenue from other sources		
– Interest income from clients	143	138
Revenue	22,815	8,972
Disaggregated by timing of revenue recognition within the scope of HKFRS 15		
– Over time	–	–
– At a point in time	22,672	8,834
	22,672	8,834

4. Other Income and Loss, Net

	Three months ended 31 March	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Other income		
CCASS fee income	5	3
Handling fee income	6	6
Interest income on bank deposits	23	79
Sundry income	365	344
	399	432
Other gain or loss, net		
Financial assets at fair value through profit or loss – Unrealised fair value (losses)/gains on securities trading	(430)	74
	(31)	506

5. Income Tax Expense

Hong Kong Profits Tax has been provided at the rate of 16.5% (2019: 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 companies that are subject to Hong Kong Profits Tax had incurred tax losses for the period (2019: Nil).

PRC Enterprise Income tax has been provided at the rate of 25% (2019: 25%) on the assessable profits of the PRC subsidiaries arising in or derived from PRC for the period. No provision for PRC Enterprise Income tax has been made in the unaudited condensed consolidated financial statements as the PRC subsidiaries that are subject to PRC Enterprise Income tax had incurred tax losses for the period (2019: Nil).

6. Discontinued Operations

As a result of the disposal of Shenzhen Star Technology Co., Ltd, a wholly-owned subsidiary, in October 2019, the trading of electronic products, electronic student cards and school safety products and provision of electronic student card platform businesses is presented as discontinued operations.

The results of the discontinued operations included in the unaudited condensed consolidated financial statements are set out below.

The losses from the discontinued operations for the prior period are analysed as follows:

	Three months ended 31 March 2019 HK\$'000 (unaudited)
Revenue	1,051
Other income and loss, net	3
Changes in inventories of finished good	(818)
Employee benefits expenses	(708)
Depreciation of property, plant and equipments	(78)
Other operating expenses	(299)
Loss from discontinued operations	(849)

7. Loss Per Share

From continuing operations

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

	Three months ended	
	31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	(7,580)	(10,555)
Less: Loss for the period from discontinued operations	–	(849)
Loss for the purpose of basic and diluted loss per share from continuing operations	(7,580)	(9,706)
Number of shares		
Issued ordinary shares at 1 January and 31 March	7,748,958,120	6,718,821,034
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	7,748,958,120	6,718,821,034

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	Three months ended	
	31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the purpose of basic and diluted loss per share	(7,580)	(10,555)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operations in 2019

Basic and diluted loss per share for the discontinued operations is HK0.015 cents per share, based on the loss for the period from the discontinued operations of HK\$849,000 and the denominators detailed above for both basic and diluted loss per share.

The computation of diluted loss per share for the periods ended 31 March 2020 and 2019, did not assume the exercise of the Company's share options outstanding during the periods ended 31 March 2020 and 2019 since their exercise would result in a decrease in loss per share.

8. Share Capital and Premium

	Number of issued shares (In thousands)	Ordinary shares HK\$'000	Share premium HK\$'000	Total HK\$'000
At 1 January 2020 and 31 March 2020	7,748,958	77,489	1,673,299	1,750,788

The total authorised number of ordinary shares is 10,000,000,000 shares (2019: 10,000,000,000 shares) with a par value of HK\$0.01 per share (2019: HK\$0.01 per share). All issued shares are fully paid.

9. Dividend

The Directors do not recommend the payment of a dividend for the period ended 31 March 2020 (2019: Nil).

Business Review

The Group recorded revenue of approximately HK\$22.82 million in the first three months of the year 2020, which is an increase of approximately HK\$13.84 million compared with the corresponding period in 2019. This was mainly due to an increase of revenue in the segment of sales of motor vehicles and the provision of agency services in the PRC. Such segment recorded approximately HK\$22.52 million for the period ended 31 March 2020, compared with approximately HK\$8.72 million for the previous period, representing an increase of approximately HK\$13.80 million.

For proprietary stock trading, the Group recorded an unrealised loss of approximately HK\$0.43 million and no realised profit or loss for the period under review.

For the period ended 31 March 2020, the Group recorded the revenue of sales of motor vehicles where the Group acts as principal approximately HK\$21.52 million and an agency fee income from trading of motor vehicles and accessories sourcing approximately HK\$1.00 million. Approximately HK\$8.08 million and approximately HK\$0.64 million were recorded respectively for the revenue of sales of motor vehicles where the Group acts as principal and an agency fee income from trading of motor vehicles and accessories sourcing for the period ended 31 March 2019.

Financial Review

The Group recorded an unaudited revenue of approximately HK\$22.82 million for the three months ended 31 March 2020 as compared to approximately HK\$8.97 million for the corresponding period in 2019, there was an increase of approximately HK\$13.84 million or 1.54 times. The increase in revenue was mainly due to the increase in the sales of motor vehicles and provision of agency services business which operated in the PRC.

The segment of sales of motor vehicles and provision of agency services recorded revenue of approximately HK\$22.52 million for the three months ended 31 March 2020 and it recorded approximately HK\$8.72 million of revenue for the last corresponding period. Since January 2020, the outbreak of Novel Coronavirus has impact on the global business environment, it led to the overall sales performance of the Group was not satisfactory. As such, certain models of motor vehicles were sold at reduced prices or even at loss for the period in order to boost up the sales, and management of the Group expects that this pricing strategy will be applied in the next few months in order to clear the stock and maintain the overall financial health of the Group. Up to the period ended 31 March 2020, the parallel imported China VI motor vehicles still had not been available in the market.

The Group recorded an unaudited loss for the three months ended 31 March 2020 of approximately HK\$7.65 million compared with an unaudited loss of approximately HK\$10.72 million for the last corresponding period. The unaudited unrealised fair value loss on securities trading for approximately HK\$0.43 million for the three months ended 31 March 2020 and it recorded unaudited unrealised fair value gain approximately HK\$0.07 million for the last corresponding period. The basic loss per share attributable to owners for the Company for the reporting period with approximately HK0.10 cents compared to approximately HK0.16 cents for the same period last year.

The Group's current asset as at 31 March 2020 amounted to approximately HK\$223.06 million and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 3.89 times. Among them, the financial assets at fair value through profit or loss were approximately HK\$0.95 million. The financial assets invested the equity securities listed in the Hong Kong. The Group's bank balances and cash amounted to approximately HK\$81.17 million as at 31 March 2020 of which approximately HK\$5.72 million were held on behalf of clients in trust and segregated accounts. The total borrowings amounted to approximately HK\$1.84 million which was secured by the charges over the Group's leasehold land and buildings and corporate guarantee issued by the Company. The gearing ratio of the Group as at 31 March 2020 (calculated by the total liabilities of approximately HK\$60.30 million over equity attributable to the owners of the Company of approximately HK\$228.40 million) is 26.40%.

The equity attributable to owner of the Company amounted to approximately HK\$228.40 million as at 31 March 2020, representing a decrease of approximately HK\$10.14 million, or 4.25% from that of 31 December 2019.

Outlook

In the first quarter of year 2020, almost 98.7% revenue of the Group came from the segment of sales of motor vehicles and the provision of agency services in the PRC. Although the motor vehicles business of the Group is affected by the outbreak of Novel Coronavirus, the uncertainty created by the on-going Sino-US trade war and the impact of the PRC government policy, the Group will closely monitor the business environment and the changes of the PRC government policy in order to make appropriate business strategies.

After the three years' efforts since the implementation of the 13th Five-Year Plan (2016-2020), the PRC has been reforming the regulatory landscape in the pharmaceutical industry leading it has a steady growth in the past few years, especially for major new medicines development like the promotion of more lifesaving and safe medicines to be listed and included in medical insurance. Therefore, the Company decided to divert the Group's resources to invest in the new medicine development market in the PRC through its investment in a limited partnership which can attain diversification of the Group's business.

The Group is optimistic and confident in the prospects of the China and Hong Kong stock markets and will continue to develop other businesses and seek opportunities to expand its revenue sources to enhance the Group's revenue.



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

As at 31 March 2020, 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 held	Approximate percentage of shareholding
Wang Jiawei	Beneficial owner	2,102,255,935	27.13%
Lai Yuk Mui	Beneficial owner	2,780,127	0.04%
Liu Runtong	Beneficial owner	2,646,000	0.03%

(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 2020:

Name of Directors	Date of grant	Number of share options				Outstanding as at 31 March 2020	Option period	Exercise price (HK\$)
		Outstanding as at 1 January 2020	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 Benzhen	13/04/2010	2,124,105	-	-	-	2,124,105	13/04/2010 – 12/04/2020	0.419

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

(a) Long positions in shares of the Company

As at 31 March 2020, the Directors and the chief executive of the Company are not aware of any person (not being a Director or a chief executive of the Company) who had an interest or short position 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.

(b) Long positions in underlying shares of the Company

As at 31 March 2020, the Company had not been notified of any 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, options to subscribe for 84,000,000 shares of the Company were granted to the Directors and certain employees of the Company. As at 31 March 2020, 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 2020	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding as at 31 March 2020		
	13/04/2010	82,840,095 (Note 1)	-	-	-		

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 2020, 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, Sale or Redemption of Listed Securities

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed 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 a non-executive Director, 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.

Event after the Reporting Period

Subsequent to the reporting period, in April 2020, the Company further acquired of 6.34% equity interest in 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") at a cash consideration of RMB6,406,900. As a result, Sheng Yu Hong Jia is owned as to 99.67% by the Company and as to 0.33% by an independent third party of the Company.

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 Benzheng, 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 2020 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 2020

As of the date of this report, 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 and Professor Chen Shu Wen.