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Dafeng Port Heshun Technology Company Limited

大豐港和順科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8310)

INSIDE INFORMATION ANTICIPATED DECREASE IN NET LOSS

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the unaudited consolidated management accounts of the Group, it is anticipated that the Group may record significant increases in revenue and cost of sales, and a decrease in net loss of approximately 50% for the three months ended 31 March 2017 as compared to that of the three months ended 31 March 2016. The significant increases in revenue and cost of sales were mainly due to the increases in revenue and cost of sales generated from/caused by the trading business of the Group. The decrease in net loss was primarily attributable to the increase in gross profit generated from the trading business of the Group and the increase in other income due to government grants awarded to Dafeng Logistics regarding its operation in Dafeng Port, which were partially offset by the increase in finance cost of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Dafeng Port Heshun Technology Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders and potential investors of the Company that, based on the information currently available and the preliminary assessment of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2017, the Group is expects to record significant increases in revenue and cost of sales, and a decrease in net loss of approximately 50% for the three months ended 31 March 2017, as compared with that of the corresponding period in 2016. The significant increases in revenue and cost of sales were mainly due to the increases in revenue and cost of sales generated from/caused by the trading business of the Group. The decrease in net loss of approximately 50% was mainly due to the increase in gross profit generated from the trading business of the Group and increase in other income due to government grants awarded to 大豐海港港口物流有限公司 (Dafeng Harbour Port Logistics Company Limited*) (“**Dafeng Logistics**”), being a subsidiary acquired by the Company in July 2016, regarding its operation in Dafeng Port, Jiangsu Province, the PRC (“**Dafeng Port**”), which were partially offset by the increase in finance cost of the Group due to increase in finance charge on obligation under finance leases, other borrowings and interest on consideration payable in respect of the acquisition of Dafeng Logistics.

The Company is in the process of finalising the first quarterly results for the three months ended 31 March 2017. The information contained in this announcement is only based on a preliminary assessment by the management of the Company based on the information currently available and such information has not been reviewed by the audit committee of the Board, and is subject to any adjustments if necessary. The first quarterly results for the three months ended 31 March 2017 is expected to be published by no later than 9 May 2017.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 25 April 2017

As at the date of this announcement, 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	Mr. Lau Hon Kee
Mr. Shum Kan Kim		Mr. Yu Xugang
Mr. Yu Xingmin		Mr. Zhang Fangmao
Mr. Pan Jian		

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information concerning the Company. The Directors, having made all

reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the Company’s website at www.dfport.com.hk.

** For identification purposes only.*