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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 announcement, 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 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.

HIGHLIGHTS

The Group recorded a revenue from continuing operations of approximately HK$69,069,000 for the year ended 31 December 2020 (2019: approximately HK$326,155,000).

Loss for the year ended 31 December 2020 from continuing and discontinuing operations were approximately HK$41,560,000 (2019: approximately HK$133,622,000).

Loss attributable to owners of the Company from continuing and discontinuing operations for the year ended 31 December 2020 amounted to approximately HK$41,399,000 (2019: approximately HK$127,674,000).

Basic loss per share from continuing and discontinuing operations were 0.53 HK cents (2019: 1.65 HK cents).

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

FINAL RESULTS

The board of Directors of the Company (the "Board") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2020 together with the comparative audited figures for the year ended 31 December 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020 HK$'000	2019 HK$'000
Continuing operations			
Revenue	*4*	**69,069**	326,155
Other income and losses, net	*6*	**(6,544)**	(464)
Changes in inventories of finished goods		**(63,093)**	(355,612)
Other direct costs		**(263)**	(15,272)
Employee benefit expenses		**(18,668)**	(21,016)
Depreciation of property, plant and equipment		**(2,658)**	(2,714)
Depreciation of right-of-use assets	*12*	**(362)**	(3,517)
Amortisation of intangible assets		**(33)**	(30)
Impairment of right-of-use assets	*12*	**–**	(4,390)
Impairment loss on trade deposits paid and other receivables		**(10,841)**	–
Reversal/(recognition) of provisions		**4,248**	(21,902)
Other expenses		**(12,396)**	(25,169)
Finance costs	*7*	**(201)**	(735)
Loss before income tax	*8*	**(41,742)**	(124,666)
Income tax credit	*9*	**182**	182
Loss for the year from continuing operations		**(41,560)**	(124,484)
Discontinued operations			
Loss for the year from discontinued operations	*10*	**–**	(9,138)
Loss for the year		**(41,560)**	(133,622)

	Notes	**2020**	2019
		HK$'000	*HK$'000*
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**9,921**	(3,179)
Reclassification adjustment relating to foreign operations disposed of		**–**	4,696
Other comprehensive income for the year, net of tax		**9,921**	1,517
Total comprehensive loss for the year		**(31,639)**	(132,105)
Loss attributable to:			
Owners of the Company		**(41,399)**	(127,674)
Non-controlling interests		**(161)**	(5,948)
		(41,560)	(133,622)
Loss attributable to the owners of the Company:			
From continuing operations		**(41,399)**	(118,536)
From discontinued operations		**–**	(9,138)
		(41,399)	(127,674)
Loss attributable to the non-controlling interests:			
From continuing operations		**(161)**	(5,948)
From discontinued operations		**–**	–
		(161)	(5,948)
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(32,021)**	(125,978)
Non-controlling interests		**382**	(6,127)
		(31,639)	(132,105)

	Notes	**2020** *HK$'000*	2019 *HK$'000*
Total comprehensive loss for the year attributable to the owners of the Company:			
From continuing operations		**(32,021)**	(121,537)
From discontinued operations		**–**	(4,441)
		(32,021)	(125,978)
Total comprehensive income/(loss) attributable to the non-controlling interests:			
From continuing operations		**382**	(6,127)
From discontinued operations		**–**	–
		382	(6,127)

	Notes	**2020** *HK cents*	2019 *HK cents*
Loss per share attributable to owners of the Company for the year			
Basic loss per share	*11*		
From continuing and discontinued operations		**(0.53)**	(1.65)
From continuing operations		**(0.53)**	(1.53)
Diluted loss per share	*11*		
From continuing and discontinued operations		**N/A**	N/A
From continuing operations		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 HK$'000	2019 HK$'000
Non-current assets			
Property, plant and equipment		**26,849**	27,931
Intangible assets		**3**	35
Right-of-use assets	*12*	**2,646**	463
Statutory deposits and other assets		**405**	505
Interests in associates		**–**	–
Financial assets at fair value through other comprehensive income	*13*	**–**	9,997
Financial assets at fair value through profit or loss	*14*	**17,199**	31,703
Rental and other deposits paid		**1,660**	2,327
		48,762	72,961
Current assets			
Inventories		**144**	52,530
Trade receivables	*15*	**15,835**	31,835
Loans receivable		**–**	2,832
Financial assets at fair value through profit or loss	*14*	**1,198**	1,385
Prepayments, deposits and other receivables		**66,914**	32,531
Bank balances and cash – trust accounts		**16,256**	5,740
Bank balances and cash – general accounts		**93,556**	113,059
		193,903	239,912

	Notes	2020 HK$'000	2019 HK$'000
Current liabilities			
Trade payables	*16*	**16,313**	5,770
Other payables and accruals		**1,798**	25,221
Contract liabilities		**–**	4,118
Provisions	*17*	**12,350**	21,549
Borrowings		**186**	2,377
Lease liabilities		**1,410**	3,258
		32,057	62,293
Net current assets		**161,846**	177,619
Total assets less current liabilities		**210,608**	250,580
Non-current liabilities			
Lease liabilities		**1,246**	1,677
Deferred tax liabilities		**2,745**	2,927
		3,991	4,604
Net assets		**206,617**	245,976
Capital and reserves			
Share capital		**77,489**	77,489
Reserves		**128,902**	161,059
Equity attributable to owners of the Company		**206,391**	238,548
Non-controlling interests		**226**	7,428
Total equity		**206,617**	245,976

NOTES:

1. GENERAL INFORMATION

Sinofortune Financial Holdings Limited ("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 registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's principal place of business is situated at 16th Floor, CMA Building, No. 64-66 Connaught Road Central, Hong Kong.

In the opinion of the directors of the Company, the ultimate controlling party of the Company is Mr. Wang Jiawei, the Chairman and executive director of the Company.

The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

The Group, comprising the Company and its subsidiaries, is principally engaged in (i) provision of securities and futures contracts trading services in Hong Kong, (ii) trading and principal investments in Hong Kong, and (iii) sales of motor vehicles, provision of agency services and accessories sourcing in the PRC.

During the year ended 31 December 2019, the Group ceased its business in the trading of electronic products, electronic student cards and school safety products and provision of electronic student card platform, which are classified as discontinued operations in the Group's consolidated financial statements for the year ended 31 December 2019.

The functional currency of the Company is Hong Kong dollar ("HK$"). The consolidated financial statements are presented in Hong Kong dollars as management of the Company considered it is more beneficial to users of the consolidated financial statements. All values stated in the consolidated financial statements are rounded to the nearest thousands (HK$'000), unless otherwise stated.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules") and by the Hong Kong Companies Ordinance.

3. APPLICATION OF AMENDMENTS TO HKFRSs

(a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKFRS 3 (Amendments)	Definition of a Business
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while business usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processed and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.

(b) New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[1]
HKFRS 16 (Amendment)	Covid-19-Related Rent Concessions[4]
HKFRS 3 (Amendments)	Reference to the Conceptual Framework[2]
HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2[5]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
HKAS 16 (Amendments)	Property, Plant and Equipment – Proceeds before Intended Use[2]
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018-2020[2]

[1] Effective for annual periods beginning on or after 1 January 2023

[2] Effective for annual periods beginning on or after 1 January 2022

[3] Effective for annual periods beginning or after a date to be determined

[4] Effective for annual periods beginning on or after 1 June 2020

[5] Effective for annual periods beginning on or after 1 January 2021

The directors of the Company anticipate that the application of these new and amendments to HKFRSs, which are not yet effective, will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE

Disaggregation of revenue

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

	2020	2019
	HK$'000	*HK$'000*
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	**851**	429
Sales of motor vehicles where the Group acts as principal	**62,702**	324,300
Agency and service fees income from		
Trading of motor vehicles	**–**	298
Accessories sourcing	**5,098**	526
	68,651	325,553
Revenue from other sources		
Interest income from securities and futures brokerage services	**418**	602
Total revenue	**69,069**	326,155
Disaggregated by timing of revenue recognition within the scope of HKFRS 15		
Over time	**–**	–
At point in time	**68,651**	325,553
	68,651	325,553

Disaggregation of revenue from contracts with customers by geographical markets is disclosed in note 5.

5. SEGMENT INFORMATION

The executive directors of the Company (the "Executive Directors") are regarded as the chief operating decision-maker. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Operating segments were determined based on these reports.

Specifically, the Group's reportable segments are as follows:

1. Brokerage and securities margin financing services – provision of brokerage and securities margin financing services

2. Trading and principal investments – securities trading

3. Sales of motor vehicles, provision of agency services and accessories sourcing – trading of motor vehicles, provision of agency and related services

In October 2019, the Group ceased its business in the trading of electronic products, electronic student cards and school safety products and provision of electronic student card platform, which is classified as discontinued operations in the Group's consolidated financial statements for the year ended 31 December 2019. Details regarding the discontinued operations are set out in note 10.

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the year ended 31 December 2020

	Brokerage and securities margin financing services *HK$'000*	Trading and principal investments *HK$'000*	Sales of motor vehicles, provision of agency services and accessories sourcing *HK$'000*	Total *HK$'000*
Continuing operations				
Segment revenue				
External sales	**1,269**	**–**	**67,800**	**69,069**
Inter-segment sales	**–**	**–**	**–**	**–**
	1,269	**–**	**67,800**	**69,069**
Segment loss	**(1,562)**	**(5,486)**	**(1,867)**	**(8,915)**
Interest income				**802**
Other income and losses, net				**(12,183)**
Unallocated expenses				**(21,245)**
Finance costs				**(201)**
Loss before income tax				**(41,742)**
Income tax credit				**182**
Loss for the year				**(41,560)**

For the year ended 31 December 2019

	Brokerage and securities margin financing services *HK$'000*	Trading and principal investments *HK$'000*	Sales of motor vehicles, provision of agency services and accessories sourcing *HK$'000*	Total *HK$'000*
Continuing operations				
Segment revenue				
External sales	1,031	–	325,124	326,155
Inter-segment sales	–	–	–	–
	1,031	–	325,124	326,155
Segment loss	(2,808)	(6,907)	(84,467)	(94,182)
Interest income				508
Other income and losses, net				(1,522)
Unallocated expenses				(24,345)
Impairment of right-of-use assets				(4,390)
Finance costs				(735)
Loss before income tax				(124,666)
Income tax credit				182
Loss for the year				(124,484)

The measure used for reporting segment profits or losses is adjusted loss before interest and taxes. To arrive at the adjusted loss, the Group's loss are further adjusted for items not specifically attributed to individual segments, such as unrealised fair value loss on unlisted equity investment, finance costs, certain interest income and head office or corporate administration costs.

Other segment information is as follows:

For the year ended 31 December 2020

	Brokerage and securities margin financing services *HK$'000*	Trading and principal investments *HK$'000*	Sales of motor vehicles, provision of agency services and accessories sourcing *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to property, plant and equipment	–	–	5	2,614	2,619
Depreciation and amortisation	13	–	556	2,484	3,053
Unrealised fair value losses on securities trading	–	180	–	–	180
Unrealised fair value loss on unlisted equity investment	–	–	–	15,732	15,732
Reversal of provision for loss on onerous contracts	–	–	(4,248)	–	(4,248)
Impairment loss on trade deposits paid and other receivables	–	–	10,841	–	10,841
Provision for compensation and legal fee	–	–	–	–	–
Written off of property, plant and equipment	–	–	–	252	252
(Gain)/loss on disposal of property, plant and equipment	–	–	(186)	131	(55)
Gain on lease termination	–	–	(24)	(1,696)	(1,720)
Gain on lease modification	–	–	–	(735)	(735)
Interest income	(2)	–	(465)	(802)	(1,269)

For the year ended 31 December 2019

	Brokerage and securities margin financing services HK$'000	Trading and principal investments HK$'000	Sales of motor vehicles, provision of agency services and accessories sourcing HK$'000	Unallocated HK$'000	Total HK$'000
Additions to property, plant and equipment	31	–	–	1,226	1,257
Depreciation and amortisation	5	–	1,117	5,139	6,261
Unrealised fair value losses on securities trading	–	519	–	–	519
Unrealised fair value loss on unlisted equity investment	–	–	–	1,650	1,650
Provision for loss on onerous contracts	–	–	16,060	–	16,060
Impairment loss on trade deposits paid and other receivables	–	–	–	–	–
Provision of compensation and legal fee	–	–	5,842	–	5,842
Written off of property, plant and equipment	–	–	463	–	463
Gain on disposal of property, plant and equipment	–	–	–	–	–
Gain on lease termination	–	–	–	–	–
Gain on lease modification	–	–	–	–	–
Interest income	(4)	–	(41)	(508)	(553)

The segment assets and segment liabilities of the Group as at 31 December 2020 and 2019 are analysed as follows:

Segment assets	**2020**	2019
	HK$'000	*HK$'000*
Brokerage and securities margin financing services	**38,679**	26,044
Trading and principal investments	**1,190**	2,071
Sales of motor vehicles, provision of agency services and accessories sourcing	**78,762**	116,943
Total segment assets	**118,631**	145,058
Unallocated assets	**124,034**	167,815
Total consolidated assets	**242,665**	312,873

Segment liabilities	**2020**	2019
	HK$'000	*HK$'000*
Brokerage and securities margin financing services	**16,506**	5,937
Trading and principal investments	**–**	–
Sales of motor vehicles, provision of agency services and accessories sourcing	**12,656**	38,052
Total segment liabilities	**29,162**	43,989
Unallocated liabilities	**6,886**	22,908
Total consolidated liabilities	**36,048**	66,897

Segment assets consist primarily of certain property, plant and equipment, intangible assets, right-of-use assets, statutory deposits and other assets, certain inventories, trade receivables, certain other receivables and deposits, loans receivable, certain financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and certain bank balances and cash.

Segment liabilities consists primarily of trade payables, certain other payables and accruals, contract liabilities, provisions and lease liabilities.

Geographical information

The Group mainly operates in Hong Kong and the PRC. Revenue from external customers are allocated based on the geographical areas in which the customers are located.

An analysis of the Group's revenue by geographical location is as follows:

	2020	2019
	HK$'000	*HK$'000*
Revenue		
Hong Kong	**1,269**	1,031
The PRC	**67,800**	325,124
	69,069	326,155

Geographical location of non-current assets

	2020	2019
	HK$'000	*HK$'000*
Non-current assets		
Hong Kong	**24,881**	26,764
The PRC	**6,682**	4,497
	31,563	31,261

The geographical location of non-current assets is based on the physical location of assets (excluding financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss), in the case of property, plant and equipment and right-of-use assets, the location of the operations to which they are allocated, in the case of intangible assets, statutory deposits and other assets, rental and other deposits paid and location of operations, in the case of interests in associates.

Information about major customers

Revenue from customers contributing over 10% of the Group revenue are as follows:

	2020	2019
	HK$'000	*HK$'000*
Sales of motor vehicles, provision of agency services and accessories sourcing		
Customer A	**38,296**	N/A#
Customer B	**28,790**	N/A#
Customer C	**N/A***	93,291
Customer D	**N/A***	44,274
Customer E	**N/A***	35,419

* The customer C, customer D and customer E did not contribute over 10% of the Group's revenue for the year ended 31 December 2020.

\# The customer A and customer B did not contribute over 10% of the Group's revenue for the year ended 31 December 2019.

6. OTHER INCOME AND LOSSES, NET

	2020	2019
	HK$'000	*HK$'000*
Other income		
CCASS fee income	**21**	13
Interest income from bank deposits	**60**	241
Interest income from financial assets at fair value through profit or loss	**–**	19
Other interest income *(Note a)*	**1,209**	293
Dividends from financial assets at fair value through profit or loss	**100**	55
Deposits received on disposal of a subsidiary forfeited	**710**	734
Government grants and subsidies *(Note b)*	**4,922**	–
Sundry income	**175**	544
	7,197	1,899
Other gains and losses		
Fair value (loss)/gain on financial assets at fair value through profit or loss *(Note 14)*		
Unrealised fair value losses on securities trading	**(180)**	(519)
Realised gains on securities trading	**–**	452
Unrealised fair value loss on unlisted equity investment	**(15,732)**	(1,650)
	(15,912)	(1,717)
Exchange losses, net	**(87)**	(183)
Gain on lease termination	**1,720**	–
Gain on lease modification	**735**	–
Gain on disposal of property, plant and equipment	**55**	–
Written off of property, plant and equipment	**(252)**	(463)
Other losses, net	**(13,741)**	(2,363)
Other income and losses, net	**(6,544)**	(464)

Notes:

a The other interest income of the Group arose from the loan and other receivables from third parties and an associate.

b The conditions for the government grants and subsidies have been complied with by the Group up to the end of the reporting period.

7. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interest on bank borrowings	**45**	115
Interest on lease liabilities	**149**	333
Interest on unsecured borrowings – related party	**7**	271
Other interest expenses	**–**	16
	201	735

8. LOSS BEFORE INCOME TAX

	2020	2019
	HK$'000	*HK$'000*
Loss before income tax has been arrived at after charging:		
Auditor's remuneration		
– audit services	**600**	530
– non-audit services	**80**	70
Legal and professional fees	**840**	1,189
Declaration services fee	**–**	6,328
Exhibition and marketing fee	**1,753**	1,781
Transportation, accessories and storage	**25**	3,869
Certification fee (included in other direct cost) *(Note)*	**–**	15,147

Note: The certification fee was paid for preparing the China Compulsory Certification, which is a compulsory safety requirement for motor vehicles in the PRC.

9. INCOME TAX CREDIT

	2020	2019
	HK$'000	*HK$'000*
Current tax	**–**	–
Deferred tax credit	**(182)**	(182)
Income tax credit	**(182)**	(182)

No provision for Hong Kong profits tax and PRC enterprise income tax has been made in the consolidated financial statements as the group companies that are subject to tax had incurred tax losses for the year (2019: Nil).

10. DISCONTINUED OPERATIONS

Following the completion of the Group's disposal of its wholly-owned subsidiary, 深圳市天星通科技有限公司 (transliterated as Shenzhen Star Technology Co., Ltd) ("Shenzhen Star Technology"), during the year ended 31 December 2019, on 31 October 2019, the Group discontinued its operations of trading of electronic products, electronic student cards and school safety products and provision of electronic student card platform which were undertaken by Shenzhen Star Technology.

An analysis of the discontinued operations for the period from 1 January 2019 to 31 October 2019 is analysed as follows:

	1 January 2019 to 31 October 2019 *HK$'000*
Revenue	3,069
Other income and loss, net	39
Changes in inventories of finished goods	(1,563)
Written down of inventories	(1,486)
Other direct costs	(2)
Employee benefits expenses	(2,538)
Depreciation of property, plant and equipment	(115)
Other operating expenses	(2,159)
Loss before income tax	(4,755)
Income tax expense	–
Loss for the period	(4,755)
Loss on disposal of a subsidiary	(4,383)
Loss from discontinued operations	(9,138)
Other comprehensive income from discontinued operations:	
Exchange gain on translating foreign operation reclassified from equity to profit or loss upon disposal	4,696
Total comprehensive loss for the period	(4,442)
Net cash used in operating activities	(2,788)
Net cash used in investing activities	(94)
Net decrease in cash and cash equivalents	(2,882)

11. LOSS PER SHARE

(a) Basic loss per share

From continuing operations

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

	2020	2019
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(41,399)**	(127,674)
Loss for the year from discontinued operations	**–**	(9,138)
Loss for the purpose of basic loss per share from continuing operations	**(41,399)**	(118,536)

	2020	2019
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of basic loss per share	**7,748,958**	7,748,958

From continuing and discontinued operations

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

	2020	2019
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share		
Loss for the year attributable to the owners of the Company	**(41,399)**	(127,674)

The denominator used for the calculation of the basic loss per share from continuing and discontinued operations is the same as that detailed above for the basic loss per share from continuing operations.

From discontinued operations

Basic loss per share for the discontinued operations for the year ended 31 December 2019 is calculated based on the loss for that year from the discontinued operations of approximately HK$9,138,000 and 7,748,958,120 ordinary shares in issue during the year.

(b) **Diluted loss per share**

The computation of diluted loss per share for the years ended 31 December 2020 and 31 December 2019 did not assume the exercise of the Company's share options because the exercise price of those options were higher than the average market price for shares of the Company for both of the years ended 31 December 2020 and 2019.

No diluted loss per share for both of the years ended 31 December 2020 and 2019 were presented as there were no potential ordinary shares in issue for both of the years ended 31 December 2020 and 2019 other than the Company's share options detailed above.

12. RIGHT-OF-USE ASSETS

	Office premises *HK$'000*
Carrying amount at 1 January 2019	5,016
Additions, at cost	4,035
Impairment loss recognised	(4,390)
Lease modification	(658)
Depreciation charged for the year	(3,517)
Exchange realignment	(23)
Carrying amount at 31 December 2019 and 1 January 2020	463
Additions, at cost	2,945
Lease termination	(549)
Depreciation charged for the year	(362)
Exchange realignment	149
Carrying amount at 31 December 2020	2,646

	2020 ***HK$'000***	2019 *HK$'000*
Expense relating to short-term leases (included in other expenses)	**–**	260
Total cash outflow for leases	**2,558**	4,039

For both of the years presented, the Group leases office premises for its operations. Lease contracts are entered into for fixed term of one to two years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2020	2019
	HK$'000	*HK$'000*
Unlisted equity investment	**–**	9,997

Movements in unlisted equity instruments are as follows:

	2020	2019
	HK$'000	*HK$'000*
At 1 January	**9,997**	–
Acquisition during the year	**–**	9,997
Gain on change in fair value	**1,164**	–
Disposed of during the year	**(11,161)**	–
At 31 December	**–**	9,997

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong	**1,198**	1,378
Unlisted investments	**–**	7
Unlisted equity investments	**17,199**	31,703
	18,397	33,088
Analysed for reporting as:		
Non-current assets	**17,199**	31,703
Current assets	**1,198**	1,385
	18,397	33,088

15. TRADE RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables arising from securities brokerage business:		
Margin clients	**2,433**	1,578
Cash clients	**1,099**	5,098
Hong Kong Securities Clearing Company Limited ("HKSCC") (net)	**466**	134
Trade receivables arising from trading of motor vehicles	**11,837**	25,025
	15,835	31,835

Receivables arising from margin clients

Trade receivables from margin clients are repayable on demand, bearing interest at prevailing market rates and are secured by clients' pledged securities which are listed on the Stock Exchange with a total market value of approximately HK$15,457,000 as at 31 December 2020 (2019: approximately HK$17,212,000). The Group considers that the credit risk arising from the receivables from margin clients is significantly mitigated by the client's pledged securities.

Receivables arising from cash clients and HKSCC

The settlement terms of the receivables arising from cash clients and HKSCC are one or two trade days after the trade execution date. Subsequent to the end of the reporting period, the trade receivables from cash clients amounted to HK$1,099,000 were settled by the clients.

Aged analysis of receivables arising from securities brokerage business is not presented as management of the Company considered that the aged analysis does not give additional value in view of the nature of this business.

Receivable from trading of motor vehicles

The receivables from customers in respect of the trading of motor vehicles are due in 120 days from date of billing.

The following is an aged analysis of the trade receivables arising from trading of motor vehicles based on invoice dates at the reporting period:

	2020	2019
	HK$'000	*HK$'000*
0 – 30 days	**3,132**	20,032
31 – 90 days	**316**	413
91 to 180 days	**7,148**	2,789
181 to 365 days	**800**	1,498
Over 365 days	**441**	293
	11,837	25,025

16. TRADE PAYABLES

	2020	2019
	HK$'000	*HK$'000*
Payables arising from securities brokerage business:		
Margin clients	**9,680**	89
Cash clients	**6,627**	5,675
Other trade payables	**6**	6
	16,313	5,770

Payables to margin clients are repayable on demand. The settlement terms of amounts payable arising from cash clients are one or two trade days after the trade execution date.

Aged analysis of payables arising from securities brokerage business is not presented as management of the Company considered that the aged analysed does not give additional value in view of the nature of this business.

The following is an aged analysis of other trade payables based on invoice dates:

	2020	2019
	HK$'000	*HK$'000*
Over 365 days	**6**	6

17. PROVISIONS

	2020	2019
	HK$'000	*HK$'000*
Provision for loss on onerous contracts	**12,350**	15,778
Provision for compensation and legal fee	**–**	5,771
	12,350	21,549

18. DIVIDEND

The directors of the Company do not recommend any payment of a dividend in respect of the year ended 31 December 2020 (2019: Nil).

BUSINESS REVIEW

The Group recorded a loss of approximately HK$41.6 million for the year ended 31 December 2020, compared with the loss of approximately HK$133.6 million for the year ended 31 December 2019, it significantly reduced by approximately HK$92.0 million. As disclosed in the Company's announcement dated 11 March 2021, the loss for the year ended 31 December 2020 was mainly due to (1) the substantial unrealised fair value losses amounting to approximately HK$16.0 million arising from the Group's unlisted equity investments in the limited partnership engaged in investing in new medicine development projects classified as financial assets at the fair value through its profit or loss during the year ended 31 December 2020, and (2) the impairment of trade deposits paid and other receivables amounting to approximately HK$11.0 million relating to the segment of sales of motor vehicles of the Group.

The Group for the year ended 31 December 2020 recorded total revenue of approximately HK$69.1 million, which was a decrease of approximately HK$257.1 million compared with the last corresponding year. It was due to a record of sales of motor vehicles, provision of agency services and accessories sourcing segment approximately HK$67.8 million for the year ended 31 December 2020, compared with approximately HK$325.1 million for the previous year, representing a decrease of approximately HK$257.3 million.

The performance of the sales of motor vehicles segment has been seriously affected since the outbreak of COVID-19 pandemic, the on-going Sino-US trade war and the change of the PRC government policies. The Group has adjusted its business strategies in order to stimulate the sales and clear the stocks of motor vehicles which including, inter alia, reduced the price on certain models of motor vehicles, focused on promoting the sales on those motor vehicles which could be sold at profit, and controlled the costs of operation in this segment. For the year ended 31 December 2020, the Group recorded the revenue of sales of motor vehicles where the Group acts as principal approximately HK$62.7 million and an agency fee income from trading of motor vehicles and accessories sourcing approximately HK$5.1 million. Approximately HK$324.3 million and approximately HK$0.8 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 year ended 31 December 2019.

Regarding investment in the new medicine development market in the PRC, the limited partnership of the Group co-operates with its business partner in the joint development of four new medicines in the treatment of lymphoma, cell tumors, colorectal cancer and multidrug-resistant tuberculosis. As at 31 December 2020, one of the new medicines has entered into the phase I of clinical trial and the others are still in the researching stage.

For proprietary stock trading, the Group recorded an unrealised loss of approximately HK$0.2 million for the year ended 31 December 2020.

Reference is made to the Company's announcements dated 20 December 2019 and 24 December 2019 in relation to the disposal of the entire issued share capital of Sinofortune Securities Limited and the subordinated loan advanced by the Company to Sinofortune Securities Limited. On 2 June 2020, a notice of termination dated 1 June 2020 has been served by the purchaser to terminate the sale and purchase agreement. Both vendor and purchaser agreed that the sale and purchase agreement ceased to have any effect and all rights and obligations of the vendor and the purchaser under the sale and purchase agreement shall cease. The vendor forfeited the deposit of approximately HK$0.7 million and returned the deposit of HK$1.0 million to the purchaser.

FINANCIAL REVIEW

Results of the Group

The Group recorded total revenue of approximately HK$69.1 million for the year ended 31 December 2020 as compared to total revenue of approximately HK$326.2 million for the previous year, representing a decrease of approximately HK$257.1 million or approximately 78.8%. The sharp decrease of revenue was primarily due to the decrease in sales of motor vehicles business in PRC.

The Group recorded a loss for the year amounted to approximately HK$41.6 million, compared with a loss of approximately HK$133.6 million for the corresponding year, representing a decrease loss of approximately 68.9%. The loss of the year encompassed an unrealised fair value losses on securities trading of approximately HK$0.2 million, compared with unrealised fair value losses on securities trading of approximately HK$0.5 million for the previous year.

The loss also included the fair value losses arising from the Group's interest in the limited partnership engaged in the business of investing in new medicine development projects at the unrealised fair value through its profit and loss of approximately HK$15.7 million for the year under review.

The loss also took the impairment loss of trade deposit paid and other receivables of approximately HK$10.8 million for the year under review, no impairment needed for such trade deposit paid and other receivables in the previous year.

Liquidity and financial resources

The Group's current assets as at 31 December 2020 amounted to approximately HK$193.9 million compared with approximately HK$239.9 million as at 31 December 2019 and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 6.0 times, compared with 3.9 times for previous year. Among them, the financial assets at fair value through profit or loss were approximately HK1.2 million (2019: approximately HK$1.4 million) which invested the equity securities listed in Hong Kong. As at 31 December 2020, the Group's cash and bank balances were approximately HK$109.8 million (2019: approximately HK$118.8 million) of which approximately HK$16.3 million (2019: approximately HK$5.7 million) were held on behalf of clients in trust and segregated accounts.

As at 31 December 2020, the Group's total borrowing amounted to approximately HK$0.2 million (2019: approximately HK$2.4 million), which fully repaid in January 2021. The bank borrowings were secured by charges over the Group's leasehold land and buildings as well as corporate guarantee issued by the Company. The gearing ratio of the Group as at 31 December 2020 (calculated by the total liabilities of approximately HK$36.0 million over equity attributable to the owners of the Company of approximately HK$206.4 million) is 17.5% (2019: 28.1%). Taking into account of the amount of liquid assets in hand, the Broad is of the view that the Group has sufficient financial resources for future development of the existing business of the Group and other business when investment opportunities arise.

The equity attributable to the owners of the Company amounted to approximately HK$206.4 million as at 31 December 2020, representing a decrease of approximately HK$32.1 million, or 13.5% from that of 31 December 2019. The decrease was mainly due to loss for the year attributable to the owners of the Company.

The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flow generated from business transaction locally. As at the end of the year, the Group did not have any material un-hedged foreign exchange exposure of interest rate mismatch. Foreign currency exposure did not pose a significant risk for the Group. However, we will continue to stay vigilant and closely monitor our exposure to movements of relevant currency.

Capital structure

As at 31 December 2020, the Company's issued share capital was 7,748,958,120 shares of HK$0.01 each.

Sales of motor vehicles, provision of agency and other services for accessories sourcing

It recorded approximately HK$67.8 million of revenue for the year under review compared with approximately HK$325.1 million for the same period last year. It is principally engaged in motor vehicles business in PRC, in particular, sales of motor vehicles and motor vehicles parts. For the year under review, with concerns over the economic outlook amid the ongoing Sino-US trade war, and the outbreak of COVID-19 pandemic, global economic growth slowed down. In addition, the change in government policies in relation to automobile emission standard in the PRC, it led to a slowdown in the sales of motor vehicles and incurred a loss of approximately HK$1.9 million and approximately HK$84.5 million for the year ended 31 December 2020 and the corresponding last year ended 31 December 2019. The loss from this segment of approximately HK$1.9 million for 2020 (2019: approximately HK$84.5 million) is arrived at after taking into account (i) reversal of provision for onerous contracts amounted to approximately HK$4.2 million (2019: provision for onerous contracts recognised of approximately HK$21.9 million) and (ii) impairment loss on trade deposits paid and other receivables amounted to approximately HK$10.8 million (2019: Nil).

Brokerage and securities margin financing service

Total revenue of this segment recorded approximately HK$1.3 million for the year ended 31 December 2020, compared with approximately HK$1.0 million for the same period last year. This segment loss approximately HK$1.6 million while loss of approximately HK$2.8 million for the last corresponding period.

Trading and principal investments

The securities trading recorded no realised loss for the year ended 31 December 2020, compared with a realised gain of approximately HK$0.5 million of the previous year. It recorded an unrealised fair value losses of approximately HK$0.2 million for the year under review, compared with an unrealised fair value losses of approximately HK$0.5 million of the previous year. This segment showed an operating loss of approximately HK$5.5 million for the year 31 December 2020 and it recorded a loss of approximately HK$6.9 million last year.

OUTLOOK

As at 31 December 2020, almost 98.2% revenue of the Group came from the segment of sales of motor vehicles, provision of agency services and accessories sourcing in the PRC.

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 December 2020, 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") has maintained 33 customers and with 36 customers in the progress of negotiation. Sheng Yu Hong Jia will strive to increase more customers to reduce the level of reliance in the future.

As disclosed in the announcement of the Company dated 12 March 2021, the limits and measurement methods for emissions from light-duty vehicles (China 6) (Standard No.: GB18352.6-2016) ("China 6 Standard") came into implementation on 1 July 2020 by the PRC government to impose more stringent emission requirements on motor vehicles in the PRC, and parallel imported motor vehicle that only complies with limits and measurement methods for emissions from light-duty vehicles (China 5) (Standard No.: GB18352.5-2013) ("China 5 Standard") was disallowed.

In order to register parallel imported motor vehicles that complies with China 6 Standard for sale in the PRC, importers are required to obtain two certifications for the motor vehicles including (1) China compulsory certification ("3C Certification") and (2) certification administered by the Ministry of Ecology and Environment of the PRC ("EE Certification") and despite China 6 Standard was implemented on 1 July 2020, so far only the details relating to the requirements and procedures for importers to obtain 3C Certification have been announced, the details relating to the requirements and procedures for importers to obtain EE Certification have not yet been announced, which has created serious uncertainties for the parallel importers of motor vehicles in the PRC.

In view of the implementation of China 6 Standard, the Group has further adjusted its business strategy and will no longer import China 5 Standard motor vehicles to PRC any more and will concentrate with the disposal of its stocks of China 5 Standard motor vehicles. The Group will participate in the import of China 6 Standard motor vehicles to PRC once the details relating to the requirements and procedures to obtain EE Certification are being announced by the relevant ministry or agency of the PRC government.

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.

Since January 2020, the outbreak of COVID-19 pandemic has impact on the global business environment. Up to the date of these financial statements, COVID-19 pandemic has not resulted in material impact to the Group. Pending on the development and spread of COVID-19 pandemic subsequent to the date of these financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial statements of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will keep continuous attention on the situation of the COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

CHARGES ON ASSETS

Leasehold land and buildings of the Group with a carrying amount of approximately HK$24.3 million (2019: approximately HK$25.9 million) were pledged for banking facilities granted to the Group.

Subsequent to the end of reporting period, the amount of borrowings has been fully settled on 28 January 2021. The charges on assets has been released.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any contingent liabilities (2019: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES/FUTURE PLAN FOR MATERIAL INVESTMENTS

Termination of the Disposal of Sinofortune Securities Limited

On 20 December 2019, Sinofortune Financial Holdings (BVI) Limited ("Vendor"), a wholly-owned subsidiary of the Company and ATIF Limited ("Purchaser") entered into a conditional sale and purchase agreement ("Agreement") in respect of the disposal of 67,000,000 issued shares of Sinofortune Securities Limited and the unsecured interest bearing subordinated loan in the sum of HK$10.0 million advanced by the Company to Sinofortune Securities Limited at a consideration of HK$5.7 million plus the aggregate amount of the total equity of the Sinofortune Securities Limited and the principal of the subordinated loan as at the completion date.

On 2 June 2020, a notice of termination dated 1 June 2020 ("Termination Notice") has been served on the Vendor by the Purchaser to terminate the Agreement and request the Vendor to return the deposit in the sum of HK$1.0 million to the Purchaser within 5 business days from the date of Termination Notice. It is also mentioned in the Termination Notice that the Agreement shall cease to have any effect and all rights and obligations of the Vendor and the Purchaser under the Agreement shall cease after the Purchaser receives the return of the deposit of HK$1.0 million. The Vendor has no objection to the contents of the Termination Notice and shall forfeit the deposit of HK$0.71 million and return the deposit of HK$1.0 million to the Purchaser within the prescribed time.

For more details, please refer to the Company's announcements dated 10 December 2019, 20 December 2019, 24 December 2019 and 3 June 2020.

Disposal of 南瑞生物科技集團(深圳)有限公司 (Transliterated as Nan Rui Biotechnology Group (Shenzhen) Company Limited) ("Nan Rui Biotechnology")

On 24 December 2020, the Group disposed of 30% equity interest in Nan Rui Biotechnology at a cash consideration of RMB9.5 million. Nan Rui Biotechnology indirectly held the project related to the setting up of a biomedical laboratory in the PRC. For more details, please refer to the Company's announcements dated 24 December 2020 and 30 December 2020.

Save as disclosed, there was no other material acquisition/disposal which would have been required to be disclosed under the GEM Listing Rules for the year under review and the Group has no concrete plans for other material investments.

EMPLOYEE INFORMATION

As at 31 December 2020, the Group had a workforce of 47 employees (2019: 90). The total staff costs, including Directors' emoluments, amounted to approximately HK$18.7 million for the year ended 31 December 2020 (2019: approximately HK$23.6 million). The Group's remuneration policies are reviewed on an annual basis and commensurate with the industry pay level. The remuneration package includes basic salary, provident fund, medical benefits and discretionary bonus. The Group has also adopted a new share option scheme as an added incentive for its employees.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

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. The Company's Directors have complied with such code of conduct and the required standard of dealings.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE PRACTICES

The Board assumes overall responsibility for the leadership and control of the Group, including providing and setting the Group's directions and strategies in the interests of the Group. It believes in good corporate governance and corporate governance practices that promote investor confidence, development of the Group, and transparency while having the long term interest of the Group and enhancement of shareholders' value as the ultimate objectives. It has adopted the code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules (the "Corporate Governance Code"). The Company has complied with the applicable code provisions of the Corporate Governance Code, except for the following deviation:

Code Provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive 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.

AUDIT COMMITTEE

The Company has established an audit committee ("Audit Committee") with specific written terms of reference. As at 31 December 2020, the Audit Committee consisted of three independent non-executive Directors, Mr. Li Jianxing, Professor Zhang Benzheng and Mr. Chen Shu Wen. Mr. Li Jianxing, being an independent non-executive Director, is the chairman of the Committee. The Audit Committee's role and function includes making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor; review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; develop and implement policy on the engagement of an external auditor to supply non-audit services; monitor the integrity of financial statements, annual reports and accounts, half-yearly and quarterly reports of the Company, and review significant financial reporting judgments contained in them; review the Company's financial controls, internal control and risk management systems; and review the Group's financial and accounting policies, procedures and practices.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2020 pursuant to the relevant provisions contained in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that such statements had complied with applicable accounting standards and that adequate disclosures had been made in respect thereof.

SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020 and consolidated statement of financial position as at 31 December 2020 and the related notes as set out in the preliminary announcement of the Group's results for the year ended 31 December 2020 have been agreed by the Group's auditors, CCTH CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on the preliminary announcement.

The Audit Committee held six meetings during the year and the attendance of its members was as follows:

Members	Attendance number of meetings attended/ Number of meetings during term of service
Li Jianxing	6/6
Zhang Benzheng	6/6
Chen Shu Wen	5/6

By order of the Board
Sinofortune Financial Holdings Limited
Wang Jiawei
Chairman

Hong Kong, 19 March 2021

As of the date of this announcement, 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.

This announcement will remain on the "Latest Company Announcements" page of the website of the GEM of The Stock Exchange of Hong Kong Limited at http://www.hkgem.com for at least 7 days from the date of its posting and on the Company's website at http://www.sinofortune.hk.