

Date the 9<sup>th</sup> day of July, 2024  
日期：2024 年 7 月 9 日

**Xiang Ying (向颖)**  
**("Purchaser 1")**  
买方 1

and

**Lan Shili (兰世立)**  
**("Purchaser 2")**  
买方 2

and

**Shan Chuanlong (单传龙)**  
**("Purchaser 3")**  
买方 3

and

**Li Chao (李超)**  
**("Purchaser 4")**  
买方 4

and

**Sinofortune Financial Holdings Limited**  
**("Vendor")**  
卖方

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**Agreement for Sale and Purchase in respect of shares of  
Sinofortune Financial Holdings (BVI) Limited**

**关于 Sinofortune Financial Holdings (BVI) Limited  
的股份买卖协议**

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THIS AGREEMENT is made on the 9th day of July, 2024

本協議於 2024 年 7 月 9 日簽訂

- (1) **Ms. Xiang Ying (向颖)** (PRC ID number 433125198808180027) of 中国武汉市江岸区滨江苑 10 号 2 楼 2 号 (“**Purchaser 1**”);  
向颖女士 (中国身分证字号 433125198808180027), 地址为中国武汉市江岸区滨江苑 10 号 2 楼 2 号 (「买方 1」);
- (2) **Mr. Lan Shili (兰世立)** (PRC ID number 420106196002130917) of 中国武汉市武昌区梅苑路 36 号 (“**Purchaser 2**”);  
兰世立先生 (中国身分证字号 420106196002130917), 地址为中国武汉市武昌区梅苑路 36 号 (「买方 2」);
- (3) **Mr. Shan Chuanlong (单传龙)** (PRC ID number 422823198401241273) of 中国广东省深圳市南山区朗山路 2 号之一 110 室 (“**Purchaser 3**”);  
单传龙先生 (中国身分证号 422823198401241273), 地址为中国广东省深圳市南山区朗山路 2 号之一 110 室 (「买方 3」);
- (4) **Mr. Li Chao (李超)** (PRC ID number 110228198807060039) of 中国北京市密云县密云镇小唐庄村开元北街南一巷 11 号 (“**Purchaser 4**”); and  
李超先生 (中国身分证号码 110228198807060039), 地址为中国北京市密云县密云镇小唐庄村开元北街南一巷 11 号 (「买方 4」); 和

(Purchaser 1, Purchaser 2, Purchaser 3 and Purchaser 4 are collectively referred to in this Agreement as the “**Purchasers**” and each a “**Purchaser**”)

(买方 1、买方 2、买方 3 和买方 4 在本协议中统称为“买方”，并各自称为“买方”)

- (5) **Sinofortune Financial Holdings Limited**, a company incorporated in the Cayman Islands with limited liability, whose registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and having its principal place of business situated at 16th Floor, CMA Building, 64-66 Connaught Road Central, Hong Kong (the “**Vendor**”).  
Sinofortune Financial Holdings Limited, 一家在开曼群岛注册成立的有限公司; 其注册办事处位于 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, 开曼群岛, 其主要营业地点位于香港干诺道中 64-66 号厂商会大厦 16 楼 (「卖方」)。

## WHEREAS :-

然而 :-

- (A) **Sinofortune Financial Holdings (BVI) Limited** (the “**Company**” or “**Sinofortune BVI**”), a company incorporated in the British Virgin Islands with limited liability,

whose registered office is situated at Pasea Estate, Road Town, Tortola, British Virgin Islands, further particulars of which are set out in **Schedule 1**.

Sinofortune Financial Holdings (BVI) Limited (「本公司」或「Sinofortune BVI」), 一家在英属维尔京群岛注册成立的有限公司, 其注册办事处位于 Pasea Estate, Road Town, Tortola, British Virgin Islands, 其进一步详情载于附表 1。

- (B) Sinofortune BVI is a holding company with three wholly-owned subsidiaries as follows:

Sinofortune BVI 为一家控股公司, 拥有 3 家全资子公司, 具体如下:

- i) Sinofortune Securities Limited, a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") with limited liability, whose registered office is situated at 16/F, CMA Building, 64-66 Connaught Road Central, Hong Kong ("SSL"), further particulars of which are set out in **Schedule 2** of this Agreement. SSL is licensed by the Securities and Futures Commission (the "SFC"), with its SFC Central Entity Number of AHH123. SSL holds valid licence to carry on Type 1 (Dealing in Securities), Type 2 (Dealing in Futures) and Type 4 (Advising on Securities) regulated activities. Copy of the SFC Licence issued to SSL is exhibited in **Annexure 1** to this Agreement.

华亿证券有限公司, 一家于中华人民共和国香港特别行政区 (「香港」) 注册成立的有限公司, 其注册办事处位于香港中环干诺道 64-66 号厂商会大厦 16 楼 (「SSL」), 其进一步详情载于本协议附表 2。SSL 获证券及期货事务监察委员会 (「证监会」) 核发牌, 其证监会中央实体编号为 AHH123。SSL 持有有效许可证, 可进行第 1 类 (证券交易)、第 2 类 (期货交易) 及第 4 类 (就证券提供咨询) 受规管活动。向 SSL 发出的证监会牌照副本载于本协议附件 1。

- ii) Sinofortune Financial Capital Limited, a company incorporated in Hong Kong with limited liability, whose registered office is situated at 16/F, CMA Building, 64-66 Connaught Road Central, Hong Kong ("SFCL"), further particulars of which are set out in **Schedule 3** of this Agreement. SFCL is licensed by the SFC, with its SFC Central Entity Number of AHH120. SFCL holds valid licence to carry on Type 6 (Advising on corporate finance) regulated activity. Copy of the SFC Licence issued to SFCL is exhibited in **Annexure 2** to this Agreement.

华亿金融融资有限公司, 一家于香港注册成立的有限公司, 其注册办事处位于香港干诺道中 64-66 号厂商会大厦 16 楼 (「SFCL」), 其进一步详情如下: 载于本协议附表 3。SFCL 已获证监会发牌, 其证监会中央实体编号为 AHH120。SFCL 持有有效许可证可进行第 6 类 (就企业融资提供咨询) 受规管活动。发给 SFCL 的证监会牌照副本载于本协议附件 2。

- iii) Sinofortune Asset Management Limited, a company incorporated in Hong

Kong with limited liability, whose registered office is situated at 16/F, CMA Building, 64-66 Connaught Road Central, Hong Kong (“SAML”), further particulars of which are set out in **Schedule 4** of this Agreement. SAML is licensed by the SFC, with its SFC Central Entity Number of AUB806. SAML holds valid licence to carry on Type 9 (Asset management) regulated activity. Copy of the SFC Licence issued to SAML is exhibited in **Annexure 3** to this Agreement.

华亿资产管理有限公司，一家于香港注册成立的有限公司，其注册办事处位于香港干诺道中 64-66 号厂商会大厦 16 楼（「SAML」），其进一步详情如下：载于本协议附表 4。SAML 已获证监会发牌，其证监会中央实体编号为 AUB806。SAML 持有开展第 9 类（资产管理）受监管活动的有效许可证。向 SAML 核发的证监会许可证副本载于本协议附件 3。

- (B) The Vendor holds 611,700 ordinary shares of the Company, representing 100% of the entire issued share capital of the Company.

卖方持有本公司 611,700 股普通股，占本公司全部已发行股本的 100%。

- (C) The Vendor’s issued shares are listed on GEM operated by The Stock Exchange of Hong Kong Limited with stock code: 8123.

卖方已发行股份于香港联合交易所有限公司营运的创业板上市，股份代号：8123。

- (D) According to the unaudited consolidated balance sheet of the Company as at 5 July 2024, the consolidated net asset value of the Company is no less than HK\$8,250,000. Copy of the unaudited consolidated balance sheet of the Company as at 5 July 2024 is exhibited in **Annexure 4** to this Agreement.

根据本公司截至 2024 年 7 月 5 日未经审计的综合资产负债表，本公司的综合资产净值不少于 8,250,000 港元。本协议附件 4 载有公司截至 2024 年 7 月 5 日未经审计的合并资产负债表副本。

- (E) Vendor has agreed to sell the Sale Shares (as defined below) and each Purchaser has agreed to purchase such number of Sale Shares (as defined as set out in clause 2.1 below) registered in the name of and beneficially owned by the Vendor subject to the terms and conditions set out below.

卖方已同意出售销售股份（定义见下文），且各买方已同意购买以卖方名义登记并实益拥有的该等数量的销售股份（定义见下文第 2.1 条）须遵守下列条款和条件。

#### **IT IS HEREBY AGREED as follows:**

特此同意如下：

#### **1. DEFINITIONS AND INTERPRETATION 定義和解釋**

1.1 In this Agreement (including recital), unless otherwise expressed or required by the context, the following words and expressions shall have the following meanings:  
在本协议（包括陈述）中，除非另有说明或上下文另有要求，下列词语应具有以下含义：

**“2023 Audited Accounts”** means the audited statement of financial position and statement of profit and loss and other comprehensive incomes of SSL, SFCL and SAML for the year ended 31 December 2023, copies of which are exhibited in Annexure 5, Annexure 6 and Annexure 7 to this Agreement, respectively;

《2023 年经审计账目》

指 SSL、SFCL 和 SAML 截至 2023 年 12 月 31 日止年度的经审计的财务状况表以及损益表和其他综合收益表，其副本分别载于本协议附件 5、附件 6 和附件 7；

**“Board”** means the board of directors of the Company;

董事会

指公司董事会；

**“Business Day”** means a day (other than Saturday or a Sunday or any day on which a typical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong;

工作日

指在上午 9:00 至中午 12:00 期间悬挂或持续悬挂或生效的一天（星期六、星期日或 8 号或以上典型气旋警告信号或“黑色”暴雨警告信号的任何一天除外）且在香港持牌银行通常营业的中午 12:00 或之前不会降低或终止；

**“1<sup>st</sup> Tranche Completion”** means the 1<sup>st</sup> tranche completion of the transactions under this Agreement as specified in Clause 4.2;

第一批完成

指本协议项下第 4.2 条规定的交易的第一批完成；

**“2<sup>nd</sup> Tranche Completion”** means the 2<sup>nd</sup> tranche completion of the transactions under this Agreement as specified in Clause 4.4;

第二期完成

指本协议项下第 4.4 条规定的交易的第二批完成；

**“Completion Accounts”** means the unaudited consolidated balance sheet and profit and loss account of the Company covering the period from 1 January 2024 to the business day prior to the 2<sup>nd</sup> Completion Date, certified by a director of the Company;

竣工账目

指自 2024 年 1 月 1 日至第二个完成日期之前的营业日期间经公司董事认证的公司未经审计的综合资产负债表和损益表；

**“1<sup>st</sup> Completion Date”**

第一个完成日期

means the date on which 1<sup>st</sup> Tranche Completion takes place in accordance with Clause 4.2;

指依第 4.2 条第一批完成的日期；

**“2<sup>nd</sup> Completion Date”**

第二个完成日期

means the date on which 2<sup>nd</sup> Tranche Completion takes place in accordance with Clause 4.4;

指依第 4.4 条第二批完成的日期；

**“Encumbrances”**

负担

means any claim, third-party interest, mortgage, charge, pledge, lien, share purchase option, pre-purchase right, priority trade-off, equity right, any property rights, priority or any type of mortgage interest, and any agreement or obligation that creates or grants such rights; 指任何债权、第三方权益、抵押、押记、质押、留置权、股份购买选择权、预购权、优先权权衡、股权、任何财产权、优先权或任何类型的抵押权益，以及任何协议或创造或授予此类权利的义务；

**“GEM”**

宝石

means GEM operated by The Stock Exchange of Hong Kong Limited;

指香港联合交易所有限公司营运的创业板；

**“GEM Listing Rules”**

创业板上市规则

means the Rules Governing the Listing of Securities on GEM;

指《创业板证券上市规则》；

**“Hong Kong”**

香港

means the Hong Kong Special Administrative Region of the People’s Republic of China;

指中华人民共和国香港特别行政区；

**“Incoming Director”**

新任董事

means Purchaser 3, Mr. Shan Chuanlong (单传龙先生), holder of PRC identity card no. 422823198401241273; 指买方 3，单传龙先生，持有中国身分证字号：422823198401241273；

**“NAV”**

资产净值

shall be equivalent to the amount of the total equity of the Company as shown in the Completion Accounts, including but not limited to the cash at banks and deposit paid to The Stock Exchange of Hong Kong Limited of no less than HK\$8,250,000 at 5 July 2024;

相当于交割账目所示的本公司股本总额，包括但不限于于 2024 年 7 月 5 日的银行现金及支付给香港联合交易所有限公司不少于 8,250,000 港元的存款；

<b>“Parties”</b> 派对	means the Purchasers and the Vendor, and each a <b>“Party”</b> ; 指买方和卖方，各自为「一方」；
<b>“Purchase Price”</b> “购买价格”	means the sum payable by each Purchaser to Vendor for the purchase of the Sale Shares as set out in Clause 3.1; 指第 3.1 条所规定的各买方为购买销售股份而向卖方支付的金额；
<b>“Purchasers’ Warranties”</b> “购买者的保证”	means the representations and warranties given or made by each Purchaser to the Vendor, as set out in Clause 6 of this Agreement; 指本协议第 6 条所规定的各买方向卖方所作的陈述和保证；
<b>“Responsible Officer(s)”</b> “负责人员”	means responsible officer(s) of each of SSL, SFCL and SAML as stipulated under the SFO; 指《证券及期货条例》规定的 SSL、SFCL 和 SAML 各自的负责人员；
<b>“Sale Shares”</b> “出售股份”	means 611,700 shares in the Company, representing 100% of the entire issued shares capital of the Company; 指 611,700 股本公司股份，占本公司全部已发行股本的 100%；
<b>“SFC”</b> “证监会”	means the Securities and Futures Commission of Hong Kong; 指香港证券及期货事务监察委员会；
<b>“SFC Licence”</b> 证监会牌照	means the licences issued by the SFC to SSL, SFCL and SAML and their respective Responsible Officers to carry out their respective regulated activities; 指证监会向 SSL、SFCL 和 SAML 及其各自的负责人员发出的许可证，以进行各自的受规管活动；
<b>“SFO”</b> 证券及期货条例	means the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong; and 指香港法例第 571 章《证券及期货条例》；和

**“Vendor’s Warranties”** means the representations and warranties given or made by the Vendor to each Purchaser, as set out in Clause 5 of this Agreement.  
 供货商的保证 指本协议第 5 条所规定的卖方向每位买方所作的陈述和保证。

- 1.2 Words importing the singular shall, where the context permits, include the plural and vice versa and words importing gender or neuter include both genders and neuters;  
 在上下文允许的情况下，表示单数的词语应包括复数，反之亦然；表示性别或中性的词语应包括两性和中性；
- 1.3 The expression “person” shall include any firm, partnership, association of persons and body corporate and any such persons acting jointly and the personal representatives or successors in title of any such person; and  
 术语 “人”应包括任何商号、合伙企业、个人协会和法人团体，以及任何共同行动 的此类人员和任何此类人员的个人代表或所有权继承人；以及
- 1.4 Headings are for convenience only and shall not affect the construction of this Agreement.  
 标题仅为方便起见，不影响本协定的解释。

## **2. SALE AND PURCHASE OF SALE SHARES 出售股份的买卖**

- 2.1. Subject to the terms and conditions of this Agreement, the Vendor shall sell the Sale Shares as legal and beneficial owner and each Purchaser shall purchase such number the Sale Shares, together with all rights and benefits attached or accrued thereto, at the Purchase Price and without any Encumbrances in such numbers as set out below:  
 根据本协议的条款和条件，卖方应出售作为合法和实益拥有人的销售股份，买方应按下列数量的购买价购买该数量的销售股份，连同其附带或应计的所有权利和利益，且不附带任何负担：

	<b>Purchaser</b>	<b>No. of Sale Shares</b>	<b>% of total issued Sale Shares</b>
	购买者	销售股票数量	占已发行股票总数的百分比
2.1.1	Purchaser 1 买方 1	207,978	34
2.1.2	Purchaser 2 买方 2	201,861	33
2.1.3	Purchaser 3 买方 3	140,691	23
2.1.4	Purchaser 4 购	61,170	10

	买者 4		
	<b>Total</b>	<b>611,700</b>	<b>100</b>
	<b>总计</b>		

### 3. PURCHASE PRICE 购买价格

- 3.1. The Vendor and each Purchaser hereby agree the Purchase Price for the Sales Shares is Hong Kong Dollars Four Million (HK\$4,000,000) (the “**Premium**”) + NAV. Each Purchaser agrees to pay the Purchase Price to Vendor for its respective Sale Shares as follows:

卖方及各买方特此同意销售股份之买价为港币四百万元（4,000,000 港元）（「溢价」） + 资产净值。各买方同意就其各自的销售股份向卖方支付买价如下：

	<b>Purchaser</b> 购买者	<b>Amount of the Premium (HK\$)</b> 溢价金额 (港元)	<b>% of NAV</b> 资产净值百分比
3.1.1	Purchaser 1 买方 1	HK\$1,360,000	34
3.1.2	Purchaser 2 买方 2	HK\$1,320,000	33
3.1.3	Purchaser 3 买方 3	HK\$920,000	23
3.1.4	Purchaser 4 买者 4	HK\$400,000	10
	<b>Total</b> <b>总计</b>	<b>HK\$4,000,000</b>	<b>100</b>

- 3.2 The Purchase Price shall be payable by each of the Purchasers to the Vendor in the following manner:

各买方应以下列方式向卖方支付买价：

- 3.2.1 the following amounts of the Purchase Price shall be paid by each Purchaser to the Vendor at the 1<sup>st</sup> Tranche Completion:

各买方须于第一期完成时向卖方支付下列金额的购买价：

	<b>Purchaser</b> 购买者	<b>Amount of Purchase Price (HK\$)</b> 购买价金额 (港元)
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(i)	Purchaser 1 买方 1	2,805,000
(ii)	Purchaser 2 买方 2	2,722,500
(iii)	Purchaser 3 买方 3	1,897,500
(iv)	Purchaser 4 买者 4	825,000
	<b>Total</b> <b>总计</b>	<b>8,250,000</b>

and  
及

3.2.2 the balance of the Purchase Price in the following amounts shall be paid by each Purchaser to the Vendor at the 2<sup>nd</sup> Tranche Completion:

购买价的余额，即下列款项，须由各买方于第二期完成时支付予卖方：

	<b>Purchaser</b> 购买者	<b>Amount (HK\$)</b> 金额（港元）
(i)	Purchaser 1 买方 1	1,360,000
(ii)	Purchaser 2 买方 2	1,320,000
(iii)	Purchaser 3 买方 3	920,000
(iv)	Purchaser 4 买者 4	400,000
	<b>Total</b> <b>总计</b>	<b>4,000,000</b>

3.4 Payments of the Purchase Price shall be made by each Purchaser to the Vendor by Hong

Kong banker's cashier orders.

每名买方须以香港银行本票向卖方支付买价。

- 3.5 The Vendor shall cause the Completion Accounts to be prepared and delivered to the Purchasers at the 2<sup>nd</sup> Completion Date. Should the amount of the NAV fall below HK\$8,250,000, the Purchase Price shall be adjusted downward in accordance with the Completion Accounts at the 2<sup>nd</sup> Tranche Completion by the Vendor by refunding the shortfall to the Purchasers by cheque drawn by the Vendor in favour of the Purchasers' solicitor representative (or such other person nominated by the Purchasers) for them to disburse the refunded shortfall amount to the Purchasers pro-rata to their respective % of the total Sale Shares bought by each of them.

卖方须安排拟备成交账目，并于第 2 个成交日期送交买方。倘资产净值低于港币 8,250,000 元，则买价须于第二期完成时根据完成账目向下调整，由卖方以支票向买方退还不足之数，支票抬头人为买方律师代表（或买方指定的其他人士），以便卖方按各自所购买销售股份总数的百分比向买方支付不足之数。

#### **4. COMPLETION 完成**

- 4.1. Completion of the transactions under this Agreement shall take place in two tranches (i.e., the 1<sup>st</sup> Tranche Completion and the 2<sup>nd</sup> Tranche Completion).

本协议项下的交易应分两期完成（即第一期完成和第二期完成）。

- 4.2. The 1<sup>st</sup> Tranche Completion shall take place simultaneously upon the signing of this Agreement at the office of the Vendor (or at such other time or place as the Parties may agree in writing). At the 1<sup>st</sup> Tranche Completion, the following business shall be transacted:

第 1 期完成应在本协议签署后同时在卖方办公室（或双方可能书面同意的其他时间或地点）进行。在第一期完成时，应处理以下事务：

- 4.2.1 the Vendor shall have delivered or cause to be delivered to each Purchaser:

卖方须向每名买方交付或安排交付以下文件：

- (a) instrument of transfer duly executed by the Vendor as transferor in favour of each Purchaser as transferee for such number of Sale Shares in accordance with that set out in clause 2.1.1 to 2.1.4 above;  
由卖方（作为转让人）以每名买方（作为承让人）为受益人，根据上文第 2.1.1 至 2.1.4 条所载的销售股份数目正式签立的转让文据；
- (b) share certificate(s) for the Sale Shares with the name of the Vendor on the share certificate(s);  
销售股份的股票，股票上印有卖方的姓名；
- (c) the memorandum and articles of association, and all statutory records of the Company, including register of directors, register of members, register of secretary and register of charge;  
公司组织章程大纲及细则，以及公司所有法定记录，包括董事登记

册、股东登记册、秘书登记册及押记登记册；

- (d) copy of minutes of meeting/ written resolutions of the board of directors of the Vendor approving the signing of this Agreement, sale of the Sale Shares to each Purchaser and execute the instruments of transfer in respect of the Sale Shares in favour of each Purchaser as transferee;  
卖方批准签署本协议、向各买方出售销售股份及签立以各买方（作为承让人）为受益人的销售股份转让文据的会议记录 / 董事会书面决议案副本；
- (e) copy of written resolutions of the Board approving:  
董事会批准以下事项的书面决议副本：
  - (i) transfer such number of Sale Shares to each Purchaser in accordance with clause 2.1.1 to 2.1.4 above;  
根据上文第 2.1.1 至 2.1.4 条向各买方转让该等销售股份数目；
  - (ii) the issuance of share certificate to each of the Purchasers in respect of the respective Sale Shares he or she has purchased;  
就各买方各自购买的销售股份向其发出股票；
  - (iii) the entry of the names of each Purchaser in the register of members of the Company for the Sale Shares it has purchased from Vendor;  
and  
各买方就其向卖方购买的销售股份在本公司股东名册登记；  
及
- (iv) the appointment of the Incoming Director as director to the Company;  
委任新任董事为本公司董事；
- (f) copy of each employee service agreements for each of the Responsible Officers;  
每名负责人员的雇员服务协议副本；
- (g) copy of written resolution of the directors of SSL resolving the appointment of the Incoming Director as director of SSL;  
SSL 董事决议任命新任董事为 SSL 董事的书面决议副本；
- (h) copy of written resolution of the directors of SSL resolving adding the Incoming Director as an additional authorised signatory as a co-signer to operate one or more of the SSL bank accounts;  
SSL 董事决议任命新任董事为 SSL 董事的书面决议副本；
- (i) copy of written resolutions of the directors of SFCL resolving the appointment of the Incoming Director as director of SFCL; and

证券及期货事务监察公司董事议决委任新任董事为该公司董事的书面决议副本；及

- (j) copy of written resolutions of the directors of SAML resolving the appointment of the Incoming Director as director of SAML.  
深圳证券交易所董事议决委任新任董事为深圳证券交易所董事的书面决议副本。

4.2.2 each Purchaser shall perform the followings:  
各买方应履行以下义务：

- (a) execute the instrument of transfer in respect of the Sale Shares purchased by it as the transferee;  
就其作为承让人所购买的销售股份签立转让文据；
- (b) effect payment of the amounts of the Purchase Price to the Vendor in accordance with clauses 3.2.1 (i) to (iv) above; and  
根据上文第 3.2.1(i)至(iv)条向卖方支付购买价款项；及
- (c) deliver to the Vendor's legal advisor, cashier orders for the amounts of the Purchase Price in accordance with clauses 3.2.2 (i) to (iv) above to be held in escrow by the Vendor's legal advisor pending release prior to the 2<sup>nd</sup> Tranche Completion.  
根据上文第 3.2.2(i)至(iv)条向卖方的法律顾问交付购买价款项的本票，由卖方的法律顾问代管，待<sup>第二期</sup>完成前发放。

4.3 None of the Parties shall be obliged to complete the transactions under the 1<sup>st</sup> Tranche Completion unless the completion for the transfer of all the Sale Shares and payment of all the amounts of the Purchase Price pursuant to clauses 3.2.1 (i) to (iv) take place simultaneously.  
除非根据第 3.2.1(i)至(iv)条完成所有销售股份的转让和支付所有购买价款，否则各方均无义务完成第一期完成项下的交易。

4.4 The 2<sup>nd</sup> Tranche Completion shall take place on the next Business Day upon fulfilment of the following conditions:  
第二批完成应在满足以下条件后的下一个工作日进行：

- 4.4.1 the 1<sup>st</sup> Tranche Completion having taken place in accordance with this Agreement;  
根据本协议完成第一期交易；
- 4.4.2 the Purchasers' Warranties and the Vendor's Warranties remaining true, accurate and not misleading as at the Completion Date;  
买方保证及卖方保证于完成日期仍然真实、准确及没有误导；
- 4.4.3 the delivery by the Vendor to the Purchasers of:

卖方向买方交付以下文件

- (i) the Completion Accounts certified by a director of the Company; and  
由本公司一名董事核证的成交账目；及
- (ii) signed resignation letters of each of Wang Jiawei and Lai Yuk Mui as director of the Company, along with confirmation from each individual that he/she has no disagreement with the Company and waives any claims he/she may have towards the Company;  
王家卫及黎玉梅各自签署的辞任本公司董事的辞职信，连同各自确认与本公司并无意见分歧及放弃对本公司的任何申索；
- (iii) signed resignation letters of Lai Yuk Mui as director of SSL, SFCL and/or SAML, with confirmation that she has no disagreement with the relevant entities and waives any claims he/she may have towards the such entities;  
Lai Yuk Mui 作为 SSL、SFCL 和/或 SAML 董事的签字辞职信，以及她与相关实体没有任何分歧并放弃对这些实体的任何索赔的确认；

4.4.4 notifications on the changes relating to the Purchasers becoming holders of Sale Shares in the Company are being duly given by each of SSL, SFCL and SAML to the SFC through SFC's portal with submission records; and  
SSL、SFCL 及 SAML 均已透过证监会的入门网站，向证监会正式发出有关买方 成为本公司销售股份持有人的变动通知，并备有呈交记录；及

4.4.5 the Incoming Director becomes a co-authorised signatory to operate one of the existing or newly opened bank accounts of SSL, as the case may be.  
入职董事成为共同授权签署人，以操作 SSL 现有或新开立的银行账户（视情况而定）。

4.5 Each Purchaser and the Vendor shall exercise its/his/her best endeavours including procuring such third party, including the Responsible Officer and the Incoming Director, to ensure the conditions under clause 4.4.2 and 4.4.5 above shall be fulfilled as soon as practicable after the 1<sup>st</sup> Tranche Completion.  
各买方和卖方应尽其最大努力，包括促使该第三方（包括负责官员和新任董事）确保上文第 4.4.2 条和第 4.4.5 条规定的条件在第一期完成后在切实可行的情况下尽快得到满足。

4.6 At the 2<sup>nd</sup> Tranche Completion, the cashier orders delivered by the Purchasers to the Vendor's legal advisor pursuant to clause 4.2.2(c) above shall forthwith be released to the Vendor in payment of the remaining balance of the Purchase Price and simultaneously the Vendor shall deliver to the Purchasers' solicitor representative (or such other person nominated by the Purchasers) a cheque drawn in favour of such representative for the amount of the shortfall between 8,250,000 and the amount of the NAV as stated in the Completion Accounts (if any) for them to disburse the refunded

amount to the Purchasers pro-rata to their respective percentage holding in the Sale Shares pursuant to clause 3.5 above.

在第二期完成时，买方根据第 4.2.2(c) 条向卖方法律顾问交付的本票须随即交回。4.6 在第二期完成时，买方根据上文第 4.2.2(c) 条向卖方法律顾问交付的本票须随即发放予卖方，以支付购买价余额，同时卖方须向买方律师代表（或买方指定的其他人士）交付一张以该代表为受益人的支票，金额为 8,250,000 与完成账目（如有）所列资产净值之间的差额，以便他们根据上文第 3.5 条按买方各自持有销售股份的百分比向买方支付退款。

## 5 **VENDOR'S WARRANTIES 卖方保证**

5.1 The Vendor hereby represents and warrants to each Purchaser that the matters set forth below are and remain true, accurate and not misleading in all material respect as of (a) the date of this Agreement, (b) the 1<sup>st</sup> Tranche Completion, and (c) the 2<sup>nd</sup> Tranche Completion (as applicable):

卖方特此向每名买方声明及保证，下文所列事宜于(a)本协议日期、(b)第一期完成及(c)第二期完成（如适用）时，在所有重大方面均属真实、准确及没有误导：

### 5.1.1 The Vendor: 卖方

- (i) When executed and delivered by the Parties, the Agreement constitutes valid and binding obligation of the Vendor;  
当订约方签立及交付本协议时，本协议即构成卖方的有效及具约束力的义务；
- (ii) The Vendor has all the power to enter into and execute this Agreement and other documents anticipated to be completed and the transaction contemplated by this Agreement, and to perform its obligations under this Agreement;  
卖方有权订立及签立本协议及其他预期将完成的文件，以及本协议拟进行的交易，并履行其在本协议下的义务；
- (iii) The Vendor is the sole legal and beneficial owner of the Sale Shares and has the absolute right to sell the Sale Shares to the Purchasers. The Vendor does not require the approval of any third party to transfer the Sale Shares to the Purchasers; and  
卖方为销售股份的唯一合法实益拥有人，并拥有向买方出售销售股份的绝对权利。卖方将销售股份转让予买方毋须任何第三方批准；及
- (iv) The Vendor's obligation to execute this Agreement or to perform this Agreement does not constitute a breach of any term in any agreement by the Vendor, and/or a violation of any judgment, order, and regulation binding on the Vendor;

卖方订立本协议或履行本协议的义务，并不构成卖方违反任何协议的任何条款，及/或违反对卖方有约束力的任何判决、命令及规例；

5.1.2 The Company, its subsidiaries, the Sale Shares and SFC Licence:  
本公司、其附属公司、销售股份及证监会牌照：

- (i) The Company is duly organized, validly existing and in good standing under, and by virtue of, the laws of British Virgin Islands and has the legal right to own its properties and assets and to carry on its business as now conducted;  
本公司根据并凭借英属维尔京群岛法律正式组建、有效存在且信誉良好，并有合法 权利拥有其财产和资产以及按目前的方式开展业务；
- (ii) The 611,700 Sale Shares constitute the entire issued share capital of the Company;  
611,700 股待售股份构成本公司全部已发行股本；
- (iii) The Sale Shares shall be transferred to the Purchasers on the date of the 1<sup>st</sup> Tranche Completion without any Encumbrances;  
销售股份将于第一期完成当日在没有任何产权负担的情况下转让予买方；
- (iv) The Company has three subsidiaries (namely SSL, SFCL and SAML) and each such subsidiaries is wholly-owned by the Company. All information provided by Schedules 1, 2, 3 and 4 are accurate. The Company is not and has not agreed to become the legal and beneficial owner of any shares or other capital of another company;  
本公司有三间附属公司（即 SSL、SFCL 及 SAML），而每间附属公司均由本公司全资拥有。附表 1、2、3 和 4 提供的所有信息均准确无误。公司现在和过去都没有同意成为另一家公司的任何股份或其他资本的法定和实益拥有人；
- (iv) As of the date of this Agreement, the Company and its subsidiaries hold valid licences, registrations, approvals, permits, qualifications, consents, and other relevant permits for the purpose of conducting its business, and all such licences, registrations, approvals, permits, qualifications, consents and other relevant permits are valid and still in existence, there is no reason for the Company and its subsidiaries to believe that any of the above will be suspended, cancelled and/or withdrawn;  
于本协议日期，本公司及其附属公司持有有效的牌照、注册、批文、许可证、资格、同意书及其他有关许可证以经营其业务，而所有该等牌照、注册、批文、许可证、资格、同意书及其他有关许可证均为有效及仍然存在，本公司及其附属公司并无理由相信上述任何一项会被暂停、取消及 / 或撤回；

- (v) the subsidiaries of the Company have not received any investigation, and/or any notice of breach of licence from the SFC and/or other regulatory authorities;  
本公司附属公司并无接获证监会及 / 或其他监管机构的任何调查及 / 或任何违规通知;
- (vi) the SFC Licence of the subsidiaries of the Company and the Responsible Officers are valid and effective; and  
公司附属公司及负责人员的证监会牌照均为有效及具效力; 及
- (vii) each of the Responsible Officers remain in good standing, in employment with the relevant subsidiaries, and there is no change in their respective terms of employment, save and except that Lai Yuk Mui will resign as Responsible Officer of SSL at the 2<sup>nd</sup> Tranche Completion. 除 Lai Yuk Mui 将于<sup>第二批</sup>完成时辞去 SSL 负责官员的职务外, 各负责官员在相关附属公司的雇佣关系保持良好, 其各自的雇佣条款没有变化。

#### 5.1.3 Accounts and financial matters: 账目和财务事项

- (i) The Completion Accounts are made in accordance with applicable laws and generally accepted accounting principles and standards of Hong Kong; and  
完成账目乃根据适用法律及香港公认会计原则及准则编制; 及
- (ii) The Completion Accounts truly and fairly disclose the financial conditions of the Company and there is no significant change to the NAV between the date of the Completion Accounts and the 2<sup>nd</sup> Completion Date;  
完成账目真实而公平地披露本公司的财务状况, 而资产净值在完成账目日期与第二个完成日期之间并无重大变动;

#### 5.1.4 Taxation: 税务:

- (i) The Company and its subsidiaries have filed tax returns in accordance with all applicable laws and regulations (as required);  
本公司及其附属公司已根据所有适用法律及法规 (如有需要) 提交报税表;
- (ii) The Completion Accounts include the tax liability arising from the subsidiaries of the Company in any circumstances (including delayed or assessed interim tax liability) arising from the date of the Completion Accounts; and

完成账目包括本公司附属公司自完成账目日期起在任何情况下产生的税务责任（包括延迟或评估的中期税务责任）；及

- (iii) Except as a result of day-to-day business operations, the subsidiaries of the Company have no further tax liability or subsequent tax liability in the future after the Completion Accounts.

除日常业务营运外，本公司的附属公司在完成账目后没有进一步的税务负债或日后的税务负债。

5.1.5 Real Properties:

不动产:

The Company and its subsidiaries do not hold or have any interest or obligations in any land or buildings.

本公司及其附属公司不持有任何土地或建筑物，也不对其拥有任何权益或义务。

5.1.6 Contracts:

合同:

- (i) The Company and its subsidiaries do not have any agreements that is unusual and/or onerous, subject to termination penalty, and/or any agreement restricting the Company and/or its subsidiaries to conduct normal business, and/or any agreement that will seriously affecting their respective business or assets; and

本公司及其附属公司并无订立任何不寻常及 / 或繁重、须支付终止罚款的协议，及 / 或任何限制本公司及 / 或其附属公司进行正常业务的协议，及 / 或任何会严重影响各自业务或资产的协议；及

- (ii) The Company has not granted any powers of attorney or other powers (express or implied) to or in favour of any person to enter into any contract or commitment or to do anything on behalf of the Company.

公司未授予任何人士任何授权书或其他权力（明示或暗示），以代表公司签订任何合同或作出任何承诺或采取任何行动。

5.1.7 Employment:

就业:

- (i) The Company and its subsidiaries do not have any material dispute with their employees and relevant persons;

公司及其附属公司与雇员及相关人员不存在任何重大争议；

- (ii) The Company and its subsidiaries have no share option scheme or employee incentive program; and

公司及其子公司没有购股权计划或员工激励计划；及

- (iii) There is no outstanding salary and/or fee payable to any third-party sub-contractors, Responsible Officers, employees, directors and/or any other party that have not been accounted for in the Completion Accounts, save and except to the variable items that cannot be ascertained until the end of month, including commission payments, transaction costs (scrip fees), CCASS clearing fees, back office service charge, communication charges and subscription fees, etc., that depend on trading volume of the month.

并无应付予任何第三方分判商、负责人员、雇员、董事及 / 或任何其他人士而未于完 成账目中入账的未付薪金及 / 或费用，惟月底前无法确定的可变项目除外，包括佣 金、交易成本（以股代息费用）、中央结算系统结算费、后勤办公室服务费、通讯 费及订阅费等视乎当月交易量而定。

5.1.8 Compliance with laws:  
遵守法律:

- (i) The Company and its subsidiaries have conducted their respective business in accordance with applicable laws;  
公司及其附属公司已按照适用法律开展各自的业务；
- (ii) The statutory books of the Company and its subsidiaries are complete, accurate and up-to-date and have been maintained in accordance with applicable laws;  
公司及其子公司的法定账簿是完整、准确和最新的，并按照适用法律进行了维护；
- (iii) Each document or filing which is required by applicable law has been duly delivered or made by the Company and its subsidiaries; and  
本公司及其子公司已正式交付或提交适用法律所要求的每份文件或存档；及
- (iv) The Company, its subsidiaries and all persons acting on their respective behalf have implemented and maintained policies, procedures and/or internal controls in relation to the detection, prevention and reporting of anti-money laundering and counter-terrorist financing, international sanctions, bribery and corruption; and such controls meet all minimum legal and regulatory standards.  
公司、其子公司和所有代表各自行事的人员已实施并维护与反洗钱和反恐融资、国际制裁、贿赂和腐败的侦查、预防和报告有关的政策、程序和/或内部控制；且此类控制 符合所有最低法律和监管标准。

5.1.9 Insurance:  
保险:

The subsidiaries of the Company have obtained and maintained valid insurance policies in accordance with the requirements of applicable laws and regulations;  
公司的附属公司已按照适用法律和法规的要求获得并保持有效的保险单;

5.1.10 Litigation:  
诉讼

- (i) The Company and its subsidiaries have not participated in any litigation, arbitration, administrative, administrative, criminal, or other legal proceedings (whether as a plaintiff, defendant, or other), and there is no any such procedures against the Company or any of its subsidiaries that are threatened to be brought (or reasonably expected to be brought);  
本公司及其子公司未曾参与任何诉讼、仲裁、行政、管理、刑事或其他法律程序（无论是 作为原告、被告还是其他身份），也没有任何针对本公司或其任何子公司的此类程序可能会被提起（或合理预期会被提起）;
- (ii) The Company and its subsidiaries conduct their business at all times in compliance with all applicable laws and regulations, and have not engaged in any criminal act or any infringement or any violation of any law, regulation, requirements or conditions; and  
公司及其子公司在开展业务时始终遵守所有适用法律和法规，没有从事任何犯罪行为或任何侵权行为或违反任何法律、法规、要求或条件的行为；以及
- (iii) The Company and its subsidiaries do not have any material disputes with its customers, suppliers and regulators.  
公司及其子公司与客户、供应商和监管机构没有任何重大纠纷。

5.2 Each of the Vendor's Warranties is made based on the best knowledge and belief of the Vendor, and the Vendor acknowledges that each Purchaser is relying on the Vendor's Warranties to enter into this Agreement, and that each Purchaser shall be entitled to treat them as conditions of this Agreement.

卖方的每项保证均基于卖方的最佳知识和信念作出，卖方承认各买方依赖卖方的保证订立本协议，且各买方应有权将其视为本协议的条件。

5.3 The Parties further agree that, the maximum amount the Vendor is liable for any claim under this Agreement (including any claim under this Clause 5) shall not in any event exceed the amount of Purchase Price paid by a Purchaser and received by the Vendor.  
双方进一步同意，卖方就本合约下的任何申索（包括根据本第 5 条提出的任何申索）所须负责的最高款额，在任何情况下均不得超逾 买方已支付而卖方已收取的买价款额。

6 **PURCHASER'S WARRANTIES**  
**买方保证**

- 6.1 Each Purchaser hereby severally represents and warrants to the Vendor that the matters set forth below are and remain true, accurate and not misleading in all material respect as of (a) the date of this Agreement, (b) the 1<sup>st</sup> Tranche Completion, and (c) the 2<sup>nd</sup> Tranche Completion (as applicable):  
各买方特此各自向卖方声明和保证，下文所述事项在 (a) 本协议日期、(b) 第一批完成和(c)第二批完成（如适用）时在所有重大方面均真实、准确和没有误导性：
- 6.1.1 When executed and delivered by the Parties, the Agreement constitutes valid and binding obligations of all and each of the Purchasers;  
本协议一经各方签署和交付，即构成所有买方和每个买方的有效和有约束力的义务；
- 6.1.2 Each Purchaser has all the power to enter into and execute this Agreement and other documents anticipated to be completed and the transaction contemplated by this Agreement, and to perform its obligations under this Agreement;  
各买方有全部权力订立和签署本协议和预期完成的其他文件以及本协议拟进行的交易，并履行其在本协议项下的义务；
- 6.1.3 Each Purchaser's obligation to execute this Agreement or to perform this Agreement does not constitute a breach of any term in any agreement by that Purchaser, and/or a violation of any judgment, order, and regulation binding on that Purchaser;  
各买方签署本协议或履行本协议的义务不构成该买方违反任何协议中的任何条款，和/或违反对该买方具有约束力的任何判决、命令和规定；
- 6.1.4 Each Purchaser is entering into this Agreement as principal and not as agent for any other party;  
各买方以委托人而非任何其他方的代理人身份签订本协议；
- 6.1.5 The Purchase Price paid by each Purchaser to the Vendor pursuant to clause 3.1 above is fund belonging to that Purchaser from its own source and is not obtained by any means from any other Purchaser;  
各买方根据上述第 3.1 条向卖方支付的购买价款是属于该买方的自有资金，而不是以任何方式从任何其他买方获得的；
- 6.1.6 Each Purchaser is independent from and not acting in concert with any other Purchaser in the purchase of any Sale Share;  
各买方在购买任何待售股份时，均独立于任何其他买方，亦非与任何其他买方一致行动；
- 6.1.7 No Purchaser is an associate of any other Purchaser (within the definition of Schedule 1 of the SFO);

概无任何买方为任何其他买方之联系人（定义见《证券及期货条例》附表 1）；

- 6.1.8 Each Purchaser is fully aware of the requirements under the SFO for a party to become and continue to be a substantial shareholder (within the definition of Schedule 1 of the SFO) of a corporation licensed under section 116 of SFO and each Purchaser will not become a substantial shareholder (within the definition of Schedule 1 of the SFO) of SSL, SFCL and/or SAML upon the 1<sup>st</sup> Tranche Completion either by itself or with any of its associates whatsoever;

各买方完全知悉《证券及期货条例》对成为及继续成为根据《证券及期货条例》第 116 条获发牌法团的主要股东（定义见《证券及期货条例》附表 1）的规定，且各买方将不会于第一期完成后单独或联同其任何联系人成为 SSL、SFCL 及/或 SAML 的主要股东（定义见《证券及期货条例》附表 1）；

- 6.1.9 Each Purchaser and his or her associates (within the definition of GEM Listing Rules) are third parties are independent and not connected with the Vendor whatsoever within the meaning of GEM Listing Rules; and

各买方及其联系人（定义见创业板上市规则）均为独立第三方，与卖方概无任何关连（定义见创业板上市规则）；及

- 6.1.10 Save and except for this Agreement and the transaction contemplated herein, each Purchaser and its associates (within the definition of GEM Listing Rules) have not had any previous dealing or transaction with the Vendor or any of its subsidiaries whatsoever.

除本协议及据此拟进行的交易外，各买方及其联系人（定义见《创业板上市规则》）过往并无与卖方或其任何附属公司进行任何交易或买卖。

- 6.2 The aforesaid clause 6.1 shall survive 1<sup>st</sup> Tranche Completion and 2<sup>nd</sup> Tranche Completion.

上述第 6.1 条在第一期完成及第二期完成后仍然有效。

- 6.3 Each Purchaser acknowledges that the Vendor is relying on the representations and warranties made by the Purchaser under clause 6.1 to enter into this Agreement, and that the Vendor shall be entitled to treat them as conditions of this Agreement.

各买方确认，卖方是依赖买方根据第 6.1 条作出的声明及保证而订立本协议，而卖方有权将该等声明及保证视为本协议的条件。

## **7. POST COMPLETION UNDERTAKING 成交后承诺**

- 7.1 Each Purchaser undertakes with the Vendor as follows:-  
每名买方均向卖方作出以下承诺：

- 7.1.1 from the 1<sup>st</sup> Completion Date to the 2<sup>nd</sup> Completion Date, he or she shall not by himself or herself or through any third party:

自第 1 个完成日期起至第 2 个完成日期止，买方不得自行或透过任何第三者

- (i) appoint any additional director to the Company and its subsidiaries, save and except for the Incoming Director;  
委任任何额外董事加入本公司及其附属公司，惟候任董事除外；
- (ii) alter the shareholding structures of the Company and its subsidiaries either by issuing any new shares or by consolidating, sub-dividing or cancelling any issued share, or granting any option or right to acquire any share capital, whatsoever; and  
透过发行任何新股份或合并、拆细或注销任何已发行股份，或授出任何购股权或收购任何股本的权利，以更改本公司及其附属公司的股权结构；及
- (iii) appoint or lay off any Responsible Officer, senior management or member of the staff of the Company and its subsidiaries without the prior written consent of the Vendor.  
未经卖方事先书面同意，委任或解雇本公司及其附属公司的任何负责人、高级管理人员或职员。

7.1.2 to procure the Company to change the English and Chinese names of the Company to another names that does not use the word “Sinofortune” and/or “华亿” and to notify the British Virgin Islands Companies Registry as soon as practicable but in any event not more than three (3) months from the 2<sup>nd</sup> Completion Date;

促使本公司将本公司的英文及中文名称更改为不使用「Sinofortune」及 / 或「华亿」字眼的其他名称，并在切实可行的情况下尽快通知英属处女群岛公司注册处，惟无论如何不得超过第二个完成日期起计三(3)个月；

7.1.3 to procure each subsidiary of the Company to change its English and Chinese names to another names that does not use the word “Sinofortune” and/or “华亿” and to notify the Hong Kong Companies Registry of such change of name as soon as practicable but in any event not more than three (3) months from the 2<sup>nd</sup> Completion Date; and

促使本公司各附属公司将其英文及中文名称更改为不使用「Sinofortune」及 / 或「华亿」字眼的其他名称，并在切实可行的情况下尽快通知香港公司注册处有关名称更改，惟无论如何不得超过第二个完成日期起计三(3)个月；及

7.1.4 to procure the Company and its subsidiaries to provide access to the Vendor’ auditors to their books and accounts within thirty (30) Business Days after the 2<sup>nd</sup> Completion Date for the purpose of auditing their accounts for inclusion in the Vendor’s financial statements.

促使本公司及其附属公司让卖方的核数师于第二个完成日期后三十(30)个营业日内查阅其账册及账目，以便审核其账目，以纳入卖方的财务报表内。

- 7.2 The Vendor undertakes with the Purchaser that it shall allow the subsidiaries of the Company to continue occupying and using their current business premises to carry out their business for a period of three (3) months from the 2<sup>nd</sup> Completion Date at the monthly license fee of HK\$50,000.

卖方向买方承诺，卖方将允许本公司的附属公司继续占用及使用其现有营业处所，以经营其业务，由第二次完成日期起计，为期三(3)个月，每月费用为港币50,000 元。

## **8. CONFIDENTIALITY AND PROVISION OF INFORMATION 数据保密 及提供**

- 8.1 Save and except by operation of law, or order by court of any jurisdiction or the relevant government authority or in compliance of GEM Listing Rules or the Inside Information provisions of the SFO or with the prior written consent of the Parties to this Agreement, no Party in this Agreement may not disclose to any third party (save and except its professional representative, advisor or other person required by law) any information and content of this Agreement, or any documents, information, data, or business confidential information that one Party obtained from the other Party in respect of the Company or any person(s).

除因法律的实施、任何司法管辖区的法院或有关政府机关的命令或为遵守创业板 上市规则或证券及期货条例的内幕消息条文或经本协议订约方事先书面同意外， 本协议任何一方不得向任何第三方（其专业代表、顾问或法律规定的其他人士除外）披露本协议的任何数据及内容，或一方从另一方取得的有关本公司或任何人士的任何文件、数据、数据或商业机密数据。

- 8.2 In order to facilitate the Vendor to comply with the GEM Listing Rules and the provisions of the SFO, each Purchaser undertakes to the Vendor that upon the request of the Vendor the Purchaser shall provide the Vendor with all the requested information relating to the Purchaser on a timely basis.

为方便卖方遵守《创业板上市规则》及《证券及期货条例》的规定，各买方向卖方承诺，在卖方提出要求时，买方须及时向卖方提供卖方所要求的与买方有关的一切资料。

## **9. NOTICE 通知**

- 9.1 Any notice or other communication shall be deemed to have been served or delivered at the time specified below if sent to the address set out in Clause 9.2: (a) if given or made by personally delivery, upon delivery to the relevant address; (b) if by post, forty-eight (48) hours after being put in the post in Hong Kong properly addressed to an address in Hong Kong with pre-paid postage; or (a) if by courier, forty-eight (48) hours after being sent to a courier properly addressed for urgent delivery; or (d) if by E-mail, upon actual receipt by the recipient in readable form.

任何通知或其他通讯，如寄往第 9.2 条所列地址，应视为已于下述时间送达或交付：（a）如发出或送达，应视为已于下述时间送达或交付；及 2：（a）如以专人递送方式发出或送达，在递送至相关地址时；（b）如以邮寄方式发出或送达，在邮寄至香港地址并妥为注明预付邮资后四十八（48）小时；或（a）如以

快递方式发出或送达，在快递妥为注明紧急送达地址后四十八（48）小时；或  
(d) 如以电子邮件方式发出或送达，在收件人以可读形式实际收到时。

- 9.2 The following shall be used for communication and serving notices for the Parties:  
双方应使用以下方式进行通信和送达通知：

Purchaser 1:

买方 1:

Address: 武汉市江岸区滨江苑 10 号 2 楼 2 号

Email Address: 1573332014@qq.com

Purchaser 2:

采购商 2:

Address: 中国武汉市武昌区梅苑路 36 号

Email Address: 3941330320@qq.com

Purchaser 3:

采购商 3:

Address: 中国广东省深圳市南山区朗山路 2 号之一 110 室

Email Address: 404716884@qq.com

Purchaser 4:

采购商 4:

Address: 北京市密云县密云镇小唐庄村开元北街南一巷 11 号

Email Address: LC15611951888@126.com

Vendor:

Address: **Sinofortune Financial Holdings Limited**

16/F, CMA Building,

64-66 Connaught Road Central, Hong Kong

Email: shirleylai@sinofortune.hk

Attention: Ms. Shirley Lai

- 9.3 Any Party may change its address or email address by notice by advising the other Party in writing by one of the above-mentioned manners as set out in clause 9.1 of this Agreement.

任何一方均可通过本协议第 9.1 条规定的上述方式之一书面通知另一方更改其地址或电子邮件地址。

## 10. MISCELLANEOUS 杂费

- 10.1 Each Party shall bear its own legal and out of pocket expenses incurred in relation to the preparation, negotiation and execution of this Agreement and all ancillary documents.  
各方应自行承担因准备、谈判和签署本协议及所有附属文件而产生的法律费用和实付费用。
- 10.2 The Vendor shall continue to be responsible for (and shall fully indemnify the Purchasers against) all operational expenses, debt and liabilities of the Company and the 3 subsidiaries up to and until the 2<sup>nd</sup> Completion Date, as well as all future claims against the Company or each of the 3 subsidiaries with respect to events that had happened prior to the 2<sup>nd</sup> Completion Date PROVIDED THAT the Vendor shall not be held responsible under this clause 10.2 for any operational expenses, debt and liabilities incurred by the Company and the 3 subsidiaries for any new employment, appointment, hiring or liabilities incurred as a result of any new or unusual line of business carried out by the by the Company and the 3 subsidiaries between the 1<sup>st</sup> Completion Date and the 2<sup>nd</sup> Completion Date that are directed, caused or carried out by any of the Purchasers or the Incoming Director.  
卖方须继续负责（并须全数赔偿买方）本公司及三家附属公司直至第 2 个完成日期为止的所有营运开支、债项及负债，以及日后就第 2 个完成日期前发生的事件向本公司或三家附属公司各自提出的所有申索，惟卖方无须根据第 10.2 条负责任何营运开支、债项及负债，以及日后就第 2 个完成日期前发生的事件向本公司或三家附属公司各自提出的所有申索。本公司及三家附属公司于首个完成日期至第二个完成日期期间因任何买方或来港董事指示、导致或进行的任何新业务或不寻常业务而产生的任何新聘用、委任、雇用或负债，卖方毋须根据本第 10.2 条对该等新聘用、委任、雇用或负债负责。
- 10.3 This Agreement shall be binding upon and enure for the benefit of the successors.  
本协议对继承人具有约束力，并使继承人受益。
- 10.4 Time is of essence in this Agreement.  
时间是本协议的关键。
- 10.5 The terms of this Agreement, or any agreement relating to this Agreement, shall not be deemed to constitute a partnership or agency relationship between the Parties to this Agreement.  
本协议的条款或与本协议有关的任何协议不应被视为在本协议各方之间构成合伙或代理关系。
- 10.6 No failure of a Party to exercise, and no delay or forbearance in exercising, any right or remedy in respect of any provision of this Agreement shall operate as a waiver of such right or remedy.  
任何一方未能行使、延迟或暂缓行使与本协议任何条款有关的任何权利或补救措施，均不构成对该权利或补救措施的放弃。

- 10.7 If any provision or part of a provision of this Agreement shall be, or be found to be invalid or unenforceable, such invalidity or enforceability shall not affect the other provisions or parts of such provisions of this Agreement, all of which shall remain in full force and effect.  
如果本协议的任何条款或部分条款无效或不可执行，则该无效性或可执行性不应影响本协议的其他条款或部分条款，所有这些条款仍应完全有效。
- 10.8 This Agreement constitutes the whole agreement between the Parties relating to the subject matter of this Agreement and supersedes any previous agreements or arrangements (if any) between them relating to the subject matter hereof.  
本协议构成双方就本协议主题达成的全部协议，并取代双方此前就本协议主题达成的任何协议或安排（如有）。
- 10.9 Any variations and supplements to this Agreement shall be made in writing and shall be effective after the execution by the Parties to this Agreement.  
本协议的任何变更和补充应以书面形式订立，并在本协议双方签署后生效。
- 10.10 This Agreement may be executed in one or more counterparts, and each such counterpart shall constitute any original of this Agreement, and all the counterparts shall together constitute one and the same instrument.  
本协议可以一份或多份对等文件的形式签署，每份对等文件均构成本协议的正本，所有对等文件共同构成一份相同的文书。
- 10.11 The Parties agree that the English version of this Agreement shall prevail over the Chinese translation, the Chinese portion of this Agreement is for reference only.  
双方同意，本协议的英文本优先于中文译本，本协议的中文部分仅供参考。
- 10.12 Unless expressly provided to the contrary in this Agreement, a third party who is not a Party has no right under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement. Notwithstanding any term of this Agreement, the consent of any third party who is not a Party is not required to rescind or vary this Agreement at any time.  
除非本协议有明确的相反规定，否则根据《合约（第三者权利）条例》（香港法例第 623 章），非缔约一方的第三者无权强制执行或享有本协议任何条款的利益。尽管本协议有任何条款，在任何时间撤销或更改本协议均无须任何非缔约方的第三方同意。

## **11. JURISDICTION AND ARBITRATION 管辖权和仲裁**

- 11.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong. Any dispute, disagreement or claim arising out of or in connection with this Agreement shall be settled in accordance with the laws of the Hong Kong Special Administrative Region in accordance with the Arbitration Rules of the Hong Kong Mediation and Arbitration Centre. The place of arbitration is Hong Kong. The number of arbitrators is three. The claimant Party shall nominate one arbitrator and the respondent Party shall nominate one arbitrator. If a Party fails to make a nomination of an arbitrator within the timelines prescribed under the HKIAC Rules, the President of

the HKIAC shall proceed to appoint an arbitrator on its behalf. The two appointed arbitrators shall within 15 (fifteen) days of the appointment of the second arbitrator, agree upon a third arbitrator who shall act as chairman of the tribunal. The arbitration language shall be English.

本协议受香港法律管辖，并按香港法律解释。因本协议引起的或与本协议有关的任何争议、分歧或索赔，应根据香港特别行政区法律，按照香港调解和仲裁中心的仲裁规则解决。仲裁地点为香港。仲裁员人数为三名。申请人一方应指定一名仲裁员，被申请人一方应指定一名仲裁员。如果一方未能在《香港国际仲裁中心规则》规定的时限内提名仲裁员，香港国际仲裁中心主任应代为指定一名仲裁员。被指定的两名仲裁员应在第二名仲裁员被指定后 15（十五）天内商定第三名仲裁员，由其担任仲裁庭庭长。仲裁语言为英语。

## **12. PROCESS AGENT 程序代理**

- 12.1 After 1<sup>st</sup> Tranche Completion, each Purchaser irrevocably appoints SSL to receive, for it and on its behalf, service of process of proceedings in Hong Kong, including but not limited to notice(s) of arbitration. Such service shall be deemed completed on delivery to the process agent (whether or not it is forwarded to and received by the Purchaser to which the process is being effected).

第一批成交后，各买受人不可撤销地指定 SSL 代表其接收在香港送达的诉讼文书，包括但不限于仲裁通知。该送达应在送达诉讼文件代理人时视为完成（无论是否已转发给被送达诉讼文件的买方并由其收到）。

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## SCHEDULE 1

### Particulars of the Company

#### 公司详情

Name of the Company: 公司名称	Sinofortune Financial Holdings (BVI) Limited
Date of incorporation: 公司注册日期	8 March 2000
Place of incorporation: 公司注册地	British Virgin Islands
Company Number: 公司编号	373867
Address of registered office: 注册办事处地址	Pasea Estate, Road Town, Tortola, British Virgin Islands
Directors: 董事	Wang Jiawei; and Lai Yuk Mui
Authorised share capital 法定股本	Authorised to issue a maximum of 2,000,000 Shares with a par value of US\$1.00 each of a single class and series
Issued shares: 已发行股票	611,700 Shares
Shareholder: 股东	The Vendor (Sinofortune Financial Holdings Limited) - 100%
Natural of Business: 业务性质	Investment Holding
SFC Licence: 证监会牌照	Not applicable
Bank Accounts: 银行账户:	Nil

**SCHEDULE 2**  
**Particulars of SSL**  
**SSL 的细节**

Name of the Company: 公司名称	Sinofortune Securities Limited 华亿证券有限公司
Date of incorporation: 公司注册日期	6 December 2000
Place of incorporation: 公司注册地	Hong Kong
Company Number: 公司编号	740288
Address of registered office: 注册办事处地址	16/F, CMA Building, 64-66 Connaught Road Central, Hong Kong
Directors: 董事	Li Ping Sun; and Lai Yuk Mui
Issued shares and fully paid-up share capital: 已发行股票和缴足股本	67,000,000 ordinary shares HK\$67,000,000
Shareholder: 股东	Sinofortune Financial Holdings (BVI) Limited – 100%
Natural of Business: 业务性质	Carrying on SFO regulated activities of dealing in securities (Type 1), dealing in future contracts (type 2) and advising on securities (Type 4)
SFC Licence: 证监会牌照	Issued on 21 June 2017 to carry out type 1, 2 and 4 regulated activities with no condition
Central Entity Number: 中央实体编号	AHH123
Responsible Officers: 负责人	Cheung Wai Yue (Type 1 and 4); Lai Yuk Mui (Type 1); Lau Pak Lun (Type 2); Li Ping Sun (Type 1,2 and 4); and Yiu Kwok Keung (Type 4)
Bank Accounts: 银行账户	OCBC-Wing Hang #802-122745001-USD; OCBC-Wing Hang #802-139298001-HKD; OCBC-Wing Hang #802-139298003-HKD; OCBC-Wing Hang #802-139298004-HKD; OCBC-Wing Hang #802-139298005-USD;

	<p> OCBC-Wing Hang #802-139298006-USD;  OCBC-Wing Hang #802-446125070-CNY;  OCBC-Wing Hang #802-710298057-CNY;  OCBC-Wing Hang #802-446125070-CNY;  OCBC-Wing Hang #802-710298057-CNY;  OCBC-Wing Hang #802-874838200-HKD;  HSBC #502-105398-001; and  CCBA# 000010926216 </p> <p><u>Segregated Accounts</u></p> <p> OCBC-Wing Hang #802-139298002-HKD; and  OCBC-Wing Hang #802-139298007-HKD </p>
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### SCHEDULE 3

#### Particulars of SFCL SFCL 的详细情况

Name of the Company: 公司名称	Sinofortune Financial Capital Limited 华亿金融融资有限公司
Date of incorporation: 公司注册日期	4 December 2000
Place of incorporation: 公司注册地	Hong Kong
Company Number: 公司编号	740168
Address of registered office: 注册办事处地址	16/F, CMA Building, 64-66 Connaught Road Central, Hong Kong
Directors: 董事	Lai Yuk Mui; and Cheung Wai Yue
Issued shares and fully paid-up share capital: 已发行股票和缴足股本	2,400,000 ordinary shares HK\$2,400,000
Shareholder: 股东	Sinofortune Financial Holdings (BVI) Limited – 100%
Natural of Business: 业务性质	Carrying on SFO regulated activity of advising on corporate finance (Type 6)
SFC Licence: 证监会牌照	Issued on 21 June 2017 to carry out type 6 regulated activity on the following conditions:  1. SFCL shall not hold client assets. The terms “hold” and “client assets” are as defined under the SFO.  2. For Type 6 regulated activity, with effect from 1 January 2017, SFCL shall not act as sponsor in respect of an application for the listing on a recognized stock market of any securities.  3. For Type 6 regulated activity, SFCL shall not advise on matters/transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Repurchases issued by the SFC
Central Entity Number:	AHH120

中央实体编号	
Responsible Officers: 负责人	Cheung Wai Yue (Type 6); Li Ping Sun (Type 6); and Liu Hang Yu (Type 6)
Bank Accounts: 银行账户	OCBC-Wing Hang #802-139468-001-HKD

#### SCHEDULE 4

##### Particulars of SAML SAML 的细节

Name of the Company: 公司名称	Sinofortune Asset Management Limited 华亿资产管理有限公司
Date of incorporation: 公司注册日期	9 August 2007
Place of incorporation: 公司注册地	Hong Kong
Company Number: 公司编号	1157086
Address of registered office: 注册办事处地址	16/F, CMA Building, 64-66 Connaught Road Central, Hong Kong
Directors: 董事	Lai Yuk Mui; and Cheung Wai Yue
Issued shares and fully paid-up share capital: 已发行股票和缴足股本	500,000 ordinary shares HK\$500,000
Shareholder: 股东	Sinofortune Financial Holdings (BVI) Limited – 100%
Natural of Business: 业务性质	Carrying on SFO regulated activity of asset management (Type 9)
SFC Licence: 证监会牌照	Issued on 21 June 2017 to carry out type 9 regulated activity on the following conditions:  1. SAML shall not hold client assets. The terms “hold” and “client assets” are as defined under the SFO.  2. SAML shall only provide services to professional investors. The term “professional investor” is as defined in the SFO and its subsidiary legislation.
Central Entity Number: 中央实体编号	AUB806
Responsible Officers: 负责人	Cheung Wai Yue (Type 9); and Li Ping Sun (Type 9)
Bank Accounts: 银行账户	OCBC-Wing Hang #802-595291-001-HKD

IN WITNESS WHEREOF this Agreement has been executed by the Parties on the day and year first above written.


**The Purchasers**

**Purchaser 1**

SIGNED by Xiang Ying (向颖): )  
)  
)




in the presence of:

  
\_\_\_\_\_  
Name: 胡彦

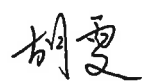
**Purchaser 2**

SIGNED by Lan Shili (兰世立):

)  
)  
)

Handwritten signature of Lan Shili in black ink, consisting of three distinct strokes.

in the presence of:

  
\_\_\_\_\_  
Name: 胡宪.

**Purchaser 3**

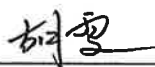
SIGNED by Shan Chuanlong (单传龙): )

)

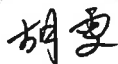
)



in the presence of:



Name:



**Purchaser 4**

SIGNED by Li Chao (李超):

)  
)  
)

李超

in the presence of:

胡雯

Name:

胡雯.

**The Vendor**

SIGNED by **Lai Yuk Mui**, director:

For and on behalf of  
**Sinofortune Financial Holdings Limited**  
in the presence of:

For and on behalf of  
Sinofortune Financial Holdings Limited  
華僑金融控股有限公司

.....  
Authorized Signature(s)

Name:

TSO HON SAI BOSSCO  
Solicitor, Hong Kong SAR  
of Messrs. Tso Au Yim & Young, Solicitors.

SFC Licence of SSL

**SECURITIES AND FUTURES COMMISSION**  
證券及期貨事務監察委員會



**LICENCE UNDER THE  
SECURITIES AND FUTURES ORDINANCE, CAP. 571**

牌照《證券及期貨條例》(香港法例第 571 章)

**Name of corporation**  
持牌法團

**Sinofortune Securities Limited**  
華億證券有限公司

**Central entity no.**  
中央編號

**AHH123**

**Date of Issue**  
簽發日期

**21 June 2017**  
**2017 年 6 月 21 日**

The above-mentioned person is licensed to carry on the following regulated activities:  
上述法團已獲發牌進行以下受規管活動:

Type 1 : Dealing in Securities	第 1 類 : 證券交易
Type 2 : Dealing in Futures Contracts	第 2 類 : 期貨合約交易
Type 4 : Advising on Securities	第 4 類 : 就證券提供意見

This licence is granted on the following conditions:  
此牌照須受以下條件規限:

NIL ( 無 )

SFC Licence of SFCL

**SECURITIES AND FUTURES COMMISSION**  
證券及期貨事務監察委員會



**LICENCE UNDER THE  
SECURITIES AND FUTURES ORDINANCE, CAP. 571**

牌照《證券及期貨條例》(香港法例第 571 章)

<b>Name of corporation</b> 持牌法團	<b>Sinofortune Financial Capital Limited</b> 華億金融融資有限公司
<b>Central entity no.</b> 中央編號	<b>AHH120</b>
<b>Date of Issue</b> 簽發日期	<b>21 June 2017</b> <b>2017 年 6 月 21 日</b>

The above-mentioned person is licensed to carry on the following regulated activities:  
上述法團已獲發牌進行以下受規管活動:

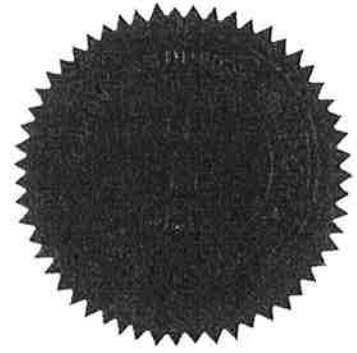
Type 6 : Advising on Corporate Finance	第 6 類 : 就機構融資提供意見
--	-------------------

This licence is granted on the following conditions:  
此牌照須受以下條件規限:

- |  |  |
|--|--|
| 1. The licensee shall not hold client assets. The terms "hold" and "client assets" are as defined under the Securities and Futures Ordinance.  | 持牌人不得持有客戶資產。“持有”及“客戶資產”的定義已在《證券及期貨條例》的釋義條文內界定。                               |
| 2. Type 6: For Type 6 regulated activity, with effect from 1 January 2007, the licensee shall not act as sponsor in respect of an application for the listing on a recognized stock market of any securities.  | 第 6 類: 就第 6 類受規管活動而言, 由 2007 年 1 月 1 日開始, 持牌人不得就要求將任何證券在認可證券市場上市的申請以保薦人身分行事。 |
| 3. Type 6: For Type 6 regulated activity, the licensee shall not advise on matters/transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Repurchases issued by the Commission. | 第 6 類: 就第 6 類受規管活動而言, 持牌人不得就證監會發出的《公司收購、合併及股份購回守則》範圍內的事宜/交易向客戶提供意見。          |

SFC Licence of SAML

**SECURITIES AND FUTURES COMMISSION**  
證券及期貨事務監察委員會



**LICENCE UNDER THE  
SECURITIES AND FUTURES ORDINANCE, CAP. 571**

牌照《證券及期貨條例》(香港法例第 571 章)

**Name of corporation**  
持牌法團

**Sinofortune Asset Management Limited**  
華億資產管理有限公司

**Central entity no.**  
中央編號

**AUB806**

**Date of Issue**  
簽發日期

**21 June 2017**  
**2017 年 6 月 21 日**

The above-mentioned person is licensed to carry on the following regulated activities:  
上述法團已獲發牌進行以下受規管活動:

Type 9 : Asset Management	第 9 類 : 提供資產管理
---------------------------	----------------

This licence is granted on the following conditions:  
此牌照須受以下條件規限:

1. The licensee shall not hold client assets. The terms "hold" and "client assets" are as defined under the Securities and Futures Ordinance.  
持牌人不得持有客戶資產。“持有”及“客戶資產”的定義已在《證券及期貨條例》的釋義條文內界定。
2. The licensee shall only provide services to professional investors. The term "professional investor" is as defined in the Securities and Futures Ordinance and its subsidiary legislation.  
持牌人只可向專業投資者提供服務。“專業投資者”的定義在《證券及期貨條例》及其附屬法例的條文內界定。

## **ANNEXURE 4**

### **Consolidated Management Accounts of the Company**

Sinofortune Financial Holdings (BVI) Limited and its subsidiaries  
Unaudited Condensed Consolidated Financial Statements

Statement of Financial Position  
As at 5 July 2024

		HK\$
Non-current Assets		5,811.00
Current Assets		
Cash at Bank (house)	8,101,654.17	
Cash at Bank (Client)	6,286,622.96	
Statutory Deposit	405,741.00	
Prepayment and other receivable	70,719.48	
Cash client receivable	111,840.39	
		14,976,578.00
Current Liabilities		
Client payable	(6,531,062.76)	
CCASS payable	(135,105.00)	
Accrued expenses	(50,710.02)	
		(6,716,877.78)
Net Current Assets		8,265,511.22
Equity		
Share Capital		4,771,260.00
Reserves		3,494,251.22
		8,265,511.22

**ANNEXURE 5**

**2023 Audited Accounts of SSL**

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**DIRECTORS' REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST DECEMBER 2023**

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2023**

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<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
Directors' Report	1 – 2
Independent Auditor's Report	3 – 6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8 – 9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to The Financial Statements	12 – 54

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of Sinofortune Securities Limited (the "Company") for the year ended 31st December 2023.

**PRINCIPAL ACTIVITY**

Sinofortune Securities Limited (the "Company") is a company incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance. The Company's registered office and principal place of business are located at 16/F, CMA Building, No. 64-66 Connaught Road Central, Hong Kong.

The Company is a licensed corporation under the Securities and Futures Ordinance and is licensed to carry on the regulated activities in connection with dealing in securities and futures contracts and advising on securities. There are no significant changes compared with the activities conducted in previous year.

**BUSINESS REVIEW**

The business review is exempted to be disclosed in the directors' report as the Company satisfied the requirement of section 388(3)(b) of the Hong Kong Companies Ordinance.

**RESULTS AND APPROPRIATIONS**

The financial performance of the Company for the year ended 31st December 2023 and the Company's financial position at that date are set out in the Company's financial statements on pages 7 to 54.

The directors do not recommend the payment of a dividend in respect of the financial year (2022: Nil).

**SHARE CAPITAL**

Details of the share capital of the Company are set out in note 23 to the financial statements. There was no movement of the share capital during the year.

**DIRECTORS**

The directors of the Company during the year and up to the date of this report are:

**LI Ping Sun**  
**LAI Yuk Mui**

In accordance with Article 7 of the Company's Articles of Association, all the directors shall retire in the forthcoming annual general meeting and being eligible, offer themselves for re-election.

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**DIRECTORS' REPORT (continued)**

**MANAGEMENT CONTRACTS**

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

**ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year was the Company, any of its holding companies or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transactions, arrangements or contracts of significance to which the Company's holding company or any of its fellow subsidiaries was a party and in which a director of the Company or the entity connected with a director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

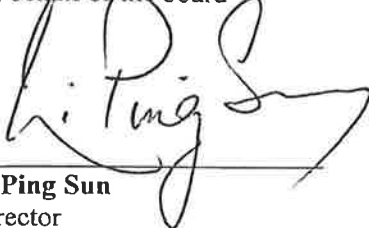
**PERMITTED INDEMNITY PROVISIONS**

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout the year.

**AUDITOR**

A resolution will be submitted to the forthcoming annual general meeting to re-appoint **CCTH CPA Limited** as auditor of the Company.

On behalf of the board



**Li Ping Sun**  
Director

Hong Kong, 22nd March 2024



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE SECURITIES LIMITED**

華億證券有限公司

(Incorporated in Hong Kong with limited liability)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Sinofortune Securities Limited (the "Company") set out on pages 7 to 54, which comprise the statement of financial position as at 31st December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis of opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 820 (Revised) "The Audit of Licensed Corporations and Associated Entities of Intermediaries" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the HKICPA's code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**CCTH CPA LIMITED**



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE SECURITIES LIMITED**

華億證券有限公司

(Incorporated in Hong Kong with limited liability)

**Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Directors for the Financial Statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

In addition, the directors are required to ensure that the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

The directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**CCTH CPA LIMITED**



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE SECURITIES LIMITED**

華億證券有限公司

(Incorporated in Hong Kong with limited liability)

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition, we are required to obtain reasonable assurance about whether the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**CCTH CPA LIMITED**



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE SECURITIES LIMITED**

華億證券有限公司

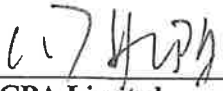
(Incorporated in Hong Kong with limited liability)

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on matters under the Hong Kong Securities and Futures (Keeping of Records) Rules and Hong Kong Securities and Futures (Accounts and Audit) Rules of the Hong Kong Securities and Futures Ordinance**

In our opinion, the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

  
**CCTH CPA Limited**  
*Certified Public Accountants*



**Lee Chi Hang**  
Practising certificate number P01957

Hong Kong, 22nd March 2024

**CCTH CPA LIMITED**

Unit 1510-1517, 15/F., Tower 2, Kowloon Commerce Centre,  
No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong

-6-

T: (852)2545 4654  
www.ccthcpa.com

F: (852)2543 2229

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**

(Amounts expressed in Hong Kong dollars)

		<u>2023</u> HK\$	<u>2022</u> HK\$
	<u>Notes</u>		
Revenue	6	381,421	449,322
Cost of income		<u>(71,390)</u>	<u>(70,425)</u>
		310,031	378,897
Other income and losses, net	7	41,508	170,599
Administrative expenses		<u>(4,004,908)</u>	<u>(1,369,080)</u>
Loss before tax	8	(3,653,369)	(819,584)
Income tax	10	<u>-</u>	<u>-</u>
Loss and total comprehensive loss for the year		<u><u>(3,653,369)</u></u>	<u><u>(819,584)</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2023**

(Amounts expressed in Hong Kong dollars)

	Notes	2023 HK\$	2022 HK\$
<b>Non-current Assets</b>			
Property, plant and equipment	12	4,260	8,916
Intangible assets	13	2	2
Investment in a subsidiary	14	-	2
Statutory deposits	15	405,000	405,000
		<u>409,262</u>	<u>413,920</u>
<b>Current Assets</b>			
Trade receivables	16	117,013	315,343
Deposits and prepayments	17	78,491	59,680
Amount due from the ultimate holding company	18	156,222	-
Bank balances and cash – trust accounts	19	5,276,289	5,939,597
Bank balances and cash – general accounts	19	11,508,877	15,538,565
		<u>17,136,892</u>	<u>21,853,185</u>
<b>Current Liabilities</b>			
Trade payables	20	5,451,014	6,075,907
Other payables and accruals	21	302,260	321,022
Amount due to the ultimate holding company	22	-	423,927
		<u>5,753,274</u>	<u>6,820,856</u>
<b>Net current assets</b>		<u>11,383,618</u>	<u>15,032,329</u>
		<u>11,792,880</u>	<u>15,446,249</u>

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**


**AS AT 31ST DECEMBER 2023**


(Amounts expressed in Hong Kong dollars)

	<u>Note</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
<b>Equity</b>			
Share capital	23	77,000,000	77,000,000
Reserves		<u>(65,207,120)</u>	<u>(61,553,751)</u>
		<u>11,792,880</u>	<u>15,446,249</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 22nd March 2024 and are signed by:

  
\_\_\_\_\_  
**Li Ping Sun**  
Director

  
\_\_\_\_\_  
**Lai Yuk Mui**  
Director

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

	Share capital	Accumulated	Total
	HK\$	losses	HK\$
At 1st January 2022	77,000,000	(60,734,167)	16,265,833
Loss and total comprehensive loss for the year	-	(819,584)	(819,584)
At 31st December 2022 and 1st January 2023	77,000,000	(61,553,751)	15,446,249
Loss and total comprehensive loss for the year	-	(3,653,369)	(3,653,369)
At 31st December 2023	77,000,000	(65,207,120)	11,792,880

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**

(Amounts expressed in Hong Kong dollars)

	<u>2023</u> HK\$	<u>2022</u> HK\$
<b>Cash flows from operating activities</b>		
Loss before taxation	(3,653,369)	(819,584)
Adjustments for:		
Depreciation of property, plant and equipment	4,656	11,940
Interest income	<u>(18,643)</u>	<u>(15,204)</u>
<b>Operating cash flows before changes in working capital</b>	(3,667,356)	(822,848)
Decrease in bank balances and cash - segregated accounts	663,308	175,947
Decrease/(increase) in trade receivables	198,330	(60,187)
(Decrease)/increase in deposits and prepayments	(18,811)	8,224
Decrease in trade payables	(624,893)	(332,908)
(Decrease)/increase in other payables and accruals	<u>(18,762)</u>	<u>147,672</u>
Cash used in operating activities	(3,468,184)	(884,100)
Interest received	<u>18,643</u>	<u>15,204</u>
<b>Net cash used in operating activities</b>	<u>(3,449,541)</u>	<u>(868,896)</u>
<b>Cash flows from investing activities</b>		
Net movements of amount due from a fellow subsidiary	<u>-</u>	<u>2,059,491</u>
<b>Net cash generated from investing activities</b>	<u>-</u>	<u>2,059,491</u>
<b>Cash flows from financing activities</b>		
Disposal of subsidiary	2	-
Net movements of amount due from/to the ultimate holding company	<u>(580,149)</u>	<u>(5,464,012)</u>
<b>Net cash used in financing activities</b>	<u>(580,147)</u>	<u>(5,464,012)</u>
<b>Net decrease in cash and cash equivalents</b>	(4,029,688)	(4,273,417)
Cash and cash equivalents at beginning of the year	<u>15,538,565</u>	<u>19,811,982</u>
Cash and cash equivalents at end of the year	<u><u>11,508,877</u></u>	<u><u>15,538,565</u></u>
<b>Analysis of cash and cash equivalents of the end of the year</b>		
Bank balances and cash – general accounts	<u><u>11,508,877</u></u>	<u><u>15,538,565</u></u>

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**1. GENERAL INFORMATION**

Sinofortune Securities Limited (the "Company") is a company incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance. The Company is a licensed corporation under the Securities and Futures Ordinance and is licensed to carry on the regulated activities in connection with dealing in securities and futures contracts and advising on securities. The Company's registered office and principal place of business are located at 16th Floor, CMA Building, No. 64-66 Connaught Road Central, Hong Kong.

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

In the opinion of the directors, the immediate and ultimate holding company of the Company is Sinofortune Financial Holdings (BVI) Limited, a limited liability company incorporated in British Virgin Islands, and Sinofortune Financial Holdings Limited, a limited liability company incorporated in Cayman Islands, respectively. The shares of Sinofortune Financial Holdings Limited are listed on GEM of The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. In addition, these financial statements have also been prepared in accordance with the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

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**3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")**

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1st January 2023 for the preparation of the financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of new and amendments to HKFRSs in the current year had no material impact on the Company's financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

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**3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)**

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

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

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**4. MATERIAL ACCOUNTING POLICY INFORMATION**

Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), the collective term which includes all Hong Kong Financial Reporting Standards, Hong Kong Accounting standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinances. Material accounting policy information adopted by the Company are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. Information on adoption of new accounting standards to the extent that they are relevant to the company for the current and prior accounting periods are shown in note 3.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below, and on the basis that the Company is going concern.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

The principal accounting policies are stated below:

**(a) Revenue recognition**

The Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs;
- the Company’s performance creates or enhances an asset that the customer controls as the Company performs; or
- the Company’s performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at point in time when the customer obtains control of the distinct good or service.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Company applies the practical expedient of not adjusting the transaction price for any significant financing component.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(a) Revenue recognition (continued)**

Further details of the Company's revenue and other income recognition policies are as follows:

- (i) Commission income from securities and futures brokerage is recognised on a trade date basis.
- (ii) Management fee income is recognised when the relevant services have been rendered.
- (iii) Interest income is recognised using the effective interest method.
- (iv) Sundry income is recognised whenever it is received or receivable.
- (v) Dividend income is recognised when the right to receive payment is established.
- (vi) Grants and subsidies from the government are recognised at their fair value where there is a reasonable assurance that the grant or subsidies will be received and the Company will comply with all attached conditions.

**(b) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit or loss before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(b) Taxation (continued)**

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(c) Subsidiary**

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (1) power over the investee, (2) exposure, or rights, to variable returns from the investee, and (3) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivables.

**(d) Property, plant and equipment**

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis, as follows:

- Furniture and equipment	3 years
- Computer equipment	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(e) Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Dividend income which are derived from the Company’s ordinary course of business are *Financial assets*

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial assets is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(e) Financial instruments (continued)**

*Financial assets (continued)*

*Classification and subsequent measurement of financial assets (continued)*

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved both by selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that it is not designated and effective as a hedging instrument.

In addition, the Company may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(e) Financial instruments (continued)

*Financial assets (continued)*

*Classification and subsequent measurement of financial assets (continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income or losses, net in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income or losses, net".

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(e) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets*

The Company performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, deposits, amount due from the ultimate holding company, bank balances and cash – trust accounts, and bank balances and cash – general accounts) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Company always recognises lifetime ECL for trade receivables.

For all other instruments, the Company measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(e) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

For loan commitments and financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the company considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(e) Financial instruments (continued)**

*Financial assets (continued)*

*Impairment of financial assets (continued)*

**(i) Significant increase in credit risk (continued)**

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

**(ii) Definition of default**

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

**(iii) Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(e) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(iii) Credit-impaired financial assets (continued)

- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e: the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive; discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payment to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(e) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(v) Measurement and recognition of ECL (continued)

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Company if the holder of the loan commitments draws down the loan, and the cash flows that the Company expects to receive if the loan is drawn down.

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Company will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Company takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(e) Financial instruments (continued)

*Financial assets (continued)*

*Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated loss.

*Financial liabilities and equity instruments*

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(e) Financial instruments (continued)**

***Financial liabilities and equity instruments (continued)***

***Financial liabilities at amortised cost***

Financial liabilities, including trade payables, other payables and accruals, amount due to the ultimate holding company and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest method.

***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, the shorter period, to the net carrying amount on initial recognition.

***Derecognition of financial liabilities***

The Company derecognises a financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(f) Employee benefits**

***Retirement benefit costs***

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Company operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme" under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. The Company's employer contributions vest fully within the employees when contributed into the MPF scheme. During the reporting period, the total amount of forfeited contributions, which arose upon employees leaving the MPF Scheme and available to reduce the contribution payable in future years was nil (2022: Nil).

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(f) Employee benefits (continued)

*Termination benefits*

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employee expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(g) Foreign currencies

(i) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Hong Kong dollar ("HK\$"), which is also the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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**5. KEY SOURCE OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 4, the directors of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and estimation uncertainties that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**(a) Income taxes**

The Company is subject to income taxes in Hong Kong. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issued based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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**5. KEY SOURCE OF ESTIMATION UNCERTAINTY (continued)**

**(b) Impairment of financial assets at amortised cost**

The management of the Company assessed the financial assets based on the financial background, collateral and the historical settlement records, including past due dates, default rates, forward-looking information that is reasonable, supportable and available without undue cost or effort.

***Provision for expected credit losses of financial assets at amortised cost***

The Company uses a provision of matrix approach to calculate ECLs for financial assets. The determination of default rates takes into account historical data and forward-looking information which involves a significant degree of management judgment.

The provision of ECLs is sensitive to changes in circumstances and of forecast general economic conditions. If the financial condition of the customers or the forecast economic

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**6. REVENUE**

The Company is principally engaged in dealing in securities and futures contracts and advising on securities. An analysis of revenue of the Company is as follows:-

Disaggregation of revenue

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

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Disaggregation of revenue by major services lines		
Commission and brokerage from securities and futures brokerage	342,750	401,004
Management fee income	<u>26,787</u>	<u>33,127</u>
	<u>369,537</u>	<u>434,131</u>
<b>Revenue from other sources</b>		
Interest income from		
- Cash clients	9,441	8,513
- Margin clients	<u>2,443</u>	<u>6,678</u>
	<u>11,884</u>	<u>15,191</u>
	<u><u>381,421</u></u>	<u><u>449,322</u></u>

Disaggregated by timing of revenue recognition within the scope of HKFRS 15

- Over time	26,787	33,127
- At point in time	<u>342,750</u>	<u>401,004</u>
	<u><u>369,537</u></u>	<u><u>434,131</u></u>

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7. OTHER INCOME AND LOSSES, NET	<u>2023</u> HK\$	<u>2022</u> HK\$
<b>Other income</b>		
Central Cleaning and Settlement System ("CCASS") fee income	11,660	12,604
Handling fee income	10,865	10,916
Interest income	6,759	13
Scrip fee income	15,158	7,028
Government grants and subsidies	-	148,000
	<u>44,442</u>	<u>178,561</u>
<b>Other gains and losses</b>		
Exchange losses	<u>(2,934)</u>	<u>(7,962)</u>
Other income and losses, net	<u>41,508</u>	<u>170,599</u>

8. LOSS BEFORE TAX	<u>2023</u> HK\$	<u>2022</u> HK\$
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Loss before tax is arrived at after charging :-

Directors' emoluments		
Directors' fee	600,000	-
Other staff costs (note)	<u>2,140,424</u>	<u>422,068</u>
	<u>2,740,424</u>	<u>422,068</u>
Auditor's remuneration	63,000	60,000
Depreciation of property, plant and equipment	<u>4,656</u>	<u>11,940</u>

Note:

The other staff costs include contributions to mandatory provident funds amounted to HK\$57,000 (2022: HK\$16,568).

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**9. INFORMATION ABOUT BENEFITS OF DIRECTORS**

Details of the director's benefits disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of information about benefits of directors) Regulation (Cap. 622G) are as follows:

- (a) Save as disclosed in note 8, no payments for emoluments, retirement benefits, termination of office or services as a director were made to or receivable by the directors or any other parties in respect of the year.
- (b) Save as disclosed in note 18, no loans, quasi-loans and other dealings in favour of the directors of the Company or entities connected with the directors were made or entered into by the Company during the year or subsisted at the end of the year.
- (c) Save as disclosed in note 24, the Company has not entered into any other transactions, arrangements of contracts during the year, in which the directors of the Company have material interests.

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**10. INCOME TAX**

No provision for Hong Kong Profits Tax is required since the Company has incurred a loss for tax purpose for both years.

Reconciliation between tax expense and accounting loss at applicable tax rates:

	<u>2023</u> HK\$	<u>2022</u> HK\$
Loss before taxation	<u>(3,653,369)</u>	<u>(819,584)</u>
Notional tax on loss before taxation, calculated at the rates applicable to profits in Hong Kong at 16.5% (2022: 16.5%)	(602,806)	(135,231)
Tax effect of income not taxable for tax purposes	(1,115)	(24,422)
Tax effect of expenses not deductible for tax purposes	768	1,970
Tax effect of temporary difference not recognised	(305)	(382)
Tax effect of tax losses not recognised	<u>603,458</u>	<u>158,065</u>
Income tax expense	<u>-</u>	<u>-</u>

At the end of the reporting period, the Company has unrecognised tax loss appropriately HK\$58,994,179 (2022: HK\$55,336,852) to carry forward against future taxable income. The deferred tax asset has not been recognised due to unpredictability of future profit streams against which the tax loss can be utilised. These unrecognised tax losses have no expiry date.

**11. DIVIDENDS**

No dividend has been paid or declared by the Company during the year (2022: Nil).

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**12. PROPERTY, PLANT AND EQUIPMENT**

	Furniture and equipment HK\$	Computer equipment HK\$	Total HK\$
<b>Cost:</b>			
At 1st January 2022, 31st December 2022, 1st January 2023 and 31st December 2023	13,831	200,958	214,789
<b>Accumulated depreciation:</b>			
At 1st January 2022	13,831	180,102	193,933
Charge for the year	-	11,940	11,940
At 31st December 2022 and 1st January 2023	13,831	192,042	205,873
Charge for the year	-	4,656	4,656
At 31st December 2023	13,831	196,698	210,529
<b>Carrying amount:</b>			
At 31st December 2023	-	4,260	4,260
At 31st December 2022	-	8,916	8,916

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**13. INTANGIBLE ASSETS**

	Trading rights HK\$
<b>Cost:</b>	
At 1st January 2022, 31st December 2022, 1st January 2023 and 31st December 2023	3,224,000
<b>Accumulated amortisation:</b>	
At 1st January 2022, 31st December 2022, 1st January 2023 and 31st December 2023	3,223,998
<b>Carrying amount</b>	
At 31st December 2023	2
At 31st December 2022	2

**14. INVESTMENT IN A SUBSIDIARY**

	2023 HK\$	2022 HK\$
Unlisted shares, at cost	-	2

The particulars of subsidiary are as follows:-

Name of company	Place of incorporation and business	Particulars of issued share capital	Percentage of paid up capital held by the Company directly		Principal activity
			2023	2022	
Sinofortune Nominees Limited	Hong Kong	HK\$2	0%	100%	Inactive

No consolidated financial statements have been prepared in accordance with the exemption granted by HKFRS 10 "Consolidated Financial Statements" as the Company is a wholly-owned subsidiary of its ultimate holding company which prepares consolidated financial statements available for the public use that complies with HKFRSs.

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**15. STATUTORY DEPOSITS**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Hong Kong Securities Clearing Company Limited ("HKSCC")		
- Contribution fund deposit	100,000	100,000
- Admission fee deposit	100,000	100,000
The SEHK		
- Compensation fund deposit	100,000	100,000
- Fidelity fund deposit	100,000	100,000
- Stamp duty deposit	5,000	5,000
	<u>405,000</u>	<u>405,000</u>

**16. TRADE RECEIVABLES**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Trade receivables arising from securities brokerage business:		
Margin clients	39,987	164,928
Cash clients	59,955	150,409
Brokers and dealers	6	6
HKSCC, net	<u>17,065</u>	<u>-</u>
	<u>117,013</u>	<u>315,343</u>

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**16. TRADE RECEIVABLES (continued)**

Trade receivable 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 SEHK with a total market value of approximately HK\$8,279,000 as at 31st December 2023 (2022: HK\$10,214,000). The Company considers that the credit risk arising from the trade receivable from margin clients is significantly mitigated by the client's pledged securities.

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\$59,955 (2022: HK\$150,409) were settled by the clients.

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

The maximum exposure to credit risk at the end of the reporting period is the carrying amounts of trade receivables. Other than the trade receivable from margin clients, the Company does not hold any collateral as security in respect of its trade receivables. There is no recent history of default on the trade receivables.

*Impairment under HKFRS 9*

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECL"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic condition. The probability default and the loss given default were estimated to be minimal in 2023.

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**17. DEPOSITS AND PREPAYMENTS**

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Deposits and prepayments	<u>78,491</u>	<u>59,680</u>

The amount of the Company's deposits and prepayments expected to be recovered or recognised as expense within one year or are receivable on demand.

**18. AMOUNT DUE FROM THE ULTIMATE HOLDING COMPANY**

The amount due from the ultimate holding company is unsecured, interest free and repayable on demand. The carrying amounts is denominated in HK\$ and approximate their fair values. Disclosure pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance is as follows:

Name of Fellow subsidiary	Maximum amount outstanding during the year HK\$	Balances at 31.12.2023 HK\$	Balances at 31.12.2022 HK\$
Sinofortune Financial Holdings Limited	<u>156,222</u>	<u>156,222</u>	<u>-</u>

**19. BANK BALANCES AND CASH**

Bank balances and cash included in the statement of cash flows comprise the following item in the statement of financial position:-

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Cash at bank	<u>16,785,166</u>	<u>21,478,162</u>
Analysed for reporting as:		
Bank balances and cash		
- trust accounts	5,276,289	5,939,597
- general accounts	<u>11,508,877</u>	<u>15,538,565</u>
	<u>16,785,166</u>	<u>21,478,162</u>

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**23. SHARE CAPITAL**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Issued and fully paid:-		
At the beginning and the end of the year		
77,000,000 ordinary shares with no nominal value	<u>77,000,000</u>	<u>77,000,000</u>

**24. RELATED PARTY TRANSACTIONS**

During the year, the Company had the following significant related party's transactions and balances:-

	Notes	<u>2023</u> HK\$	<u>2022</u> HK\$
Management fee income from a fellow subsidiary	(i)	<u>26,787</u>	<u>33,127</u>

Notes:

(i) Management fee income from a fellow subsidiary was charged at a negotiated value.

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**25. CAPITAL MANAGEMENT**

The Company is regulated by the Securities and Futures Ordinance ("SFO") and is required to comply with certain minimum capital requirements according to the rules of the SFC. In addition, the Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the sole member and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the sole member, return capital to the sole member or issue new shares.

The Company monitors its capital structure on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (including current and non-current liabilities but excluding current or deferred income tax liabilities as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (including share capital and accumulated losses as shown in the statement of financial position).

The debt-to-adjusted capital ratio as at 31st December 2023 and 2022 was as follows:-

	<u>2023</u> HK\$	<u>2022</u> HK\$
Total debts	5,753,274	6,820,856
Less: Bank balances and cash, including trust accounts	<u>(16,785,166)</u>	<u>(21,478,162)</u>
<b>Net debt</b>	<u>(11,031,892)</u>	<u>(14,657,306)</u>
<b>Adjusted capital</b>	<u>11,792,880</u>	<u>15,446,249</u>
<b>Debt-to-adjusted capital ratio</b>	<u>N/A</u>	<u>N/A</u>

The Company's operation is primarily sourced from the business income, and other finances sourced from the following which except otherwise indicated are interest free and have no fixed repayment terms.

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**26. FINANCIAL INSTRUMENTS BY CATEGORY**

The carrying amounts of each of the categories of financial assets and financial liabilities as at the end of the reporting period are as follows:

	<u>2023</u> HK\$	<u>2022</u> HK\$
Financial assets		
<i>At amortised costs</i>		
Statutory deposits	405,000	405,000
Trade receivables	117,013	315,343
Deposits	741	741
Amount due from the ultimate holding company	156,222	-
Bank balances and cash – trust accounts	5,276,289	5,939,597
Bank balances and cash – general accounts	<u>11,508,877</u>	<u>15,538,565</u>
	<u>17,464,142</u>	<u>22,199,246</u>
Financial liabilities		
<i>At amortised costs</i>		
Trade payables	5,451,014	6,075,907
Other payables and accruals	302,260	321,022
Amount due to the ultimate holding company	<u>-</u>	<u>423,927</u>
	<u>5,753,274</u>	<u>6,820,856</u>

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**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instruments comprise statutory deposits, trade receivables, deposits, amount due from the ultimate holding company, bank balances – trust accounts, bank balances – general accounts, trade payables, other payables and accruals, amount due to the ultimate holding company and interest-bearing borrowings.

(a) Market risk

*Foreign currency risk*

The Company does not have significant foreign exchange risk arising from future commercial transactions and recognised financial assets and liabilities since almost all of them are in Hong Kong dollars.

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**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**(b) Credit risk**

The Company is exposed to credit risk and the Company's maximum exposure to credit risk in relation to financial assets is the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, having considered available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor/customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Company and changes in the operating results of the customer.

**(i) Amount due from the ultimate holding company**

The Company uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**

(Amounts expressed in Hong Kong dollars)

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(b) Credit risk (continued)

(i) Amount due from the ultimate holding company (continued)

A summary of the assumptions underpinning the Company's expected credit loss is as follows:

<b>Category</b>	<b>Company's definition of categories</b>	<b>Basis for recognition of expected credit loss provision</b>
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due	Lifetime expected losses
Non-performing	Interest and/or principal repayments are 365 days past due	Lifetime expected losses
Write-off	Interest and/or principal repayments are two year past due and there is no reasonable expectation of recovery	Asset is written off

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(b) Credit risk (continued)

(i) Amount due from the ultimate holding company (continued)

The Company accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

As at 31st December 2023, the internal credit rating of amount due from the ultimate holding company is performing. The Company has assessed that the expected credit loss rate for the receivable is immaterial under 12 months expected losses method which resulted provision for impairment on amount due from the ultimate holding company amounted to HK\$ Nil (2022: HK\$ Nil) are recognised for the year.

(ii) Deposits paid

The Company applies the simplified approach to provide for expected credit losses for other receivables prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for these receivables.

The Company has assessed that the expected loss rate for deposits paid as at 31st December 2023 was immaterial. Thus no loss allowance for other receivables was recognised.

(iii) Cash and cash equivalents

The table below show the details of bank balances maintained at the end of the reporting period:

	Rating	<u>2023</u>	<u>2022</u>
		HK\$	HK\$
Cash at banks and bank deposits	Aa1	<u>16,785,166</u>	<u>21,478,162</u>

The rating represents long-term credit rating provided by Moody's, an internationally recognised credit rating agency. A rating within the "A" category is judged to be upper-medium grade and are subject to low credit risk under the rating regime of Moody's. Given that significant portion of the bank deposits are placed with banks that are independently rated with high credit rating with no default history in past years, management of the Company considers that the credit risk on the bank balances and bank deposits is limited.

**SINOFORTUNE SECURITIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(c) Liquidity risk

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and other source of funding.

Liquidity table

The following tables detail the contractual maturities of the Company for their non-derivative financial liabilities, which are based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of reporting period.

In addition, the following tables detail the contractual maturities of the Company for their non-derivative financial assets, which are based on undiscounted cash flows of financial assets based on the earliest date on which the Company can be required to pay. The inclusion of information on these non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

The amounts included below for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variance interest rates differ to those estimates of interest rates determined at the end of the reporting period.

<u>As at 31st December 2023</u>	On demand/ less than 1 year HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
<b>Non-derivative financial liabilities</b>			
Trade payables	5,451,014	5,451,014	5,451,014
Other payables and accruals	302,260	302,260	302,260
	<u>5,753,274</u>	<u>5,753,274</u>	<u>5,753,274</u>

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
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(Amounts expressed in Hong Kong dollars)

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(c) Liquidity risk (continued)

As at 31st December 2022	On demand/ less than 1 year HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
<b>Non-derivative financial liabilities</b>			
Trade payables	6,075,907	6,075,907	6,075,907
Other payables and accruals	321,022	321,022	321,022
Amount due to the ultimate holding company	423,927	423,927	423,927
	<u>6,820,856</u>	<u>6,820,856</u>	<u>6,820,856</u>

**28. FAIR VALUE ESTIMATION**

The fair value of financial assets and financial liabilities measured at amortised cost are determined in accordance with general accepted pricing models based on discounted cash flow.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities measured at amortised cost and recorded in the financial statements approximate their fair values.

**SINOFORTUNE SECURITIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
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**29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Company's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows from financing activities.

	Amount due (from)/to the ultimate holding company HK\$
<b>At 1st January 2023</b>	423,927
<b>Changes from financing cash flows:</b>	
Net movements of amount due to the ultimate holding company	<u>(580,149)</u>
<b>At 31st December 2023</b>	<u><u>(156,222)</u></u>

**SINOFORTUNE SECURITIES LIMITED**  
**華億證券有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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**29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)**

	Amount due to the ultimate holding company HK\$
<b>At 1st January 2022</b>	5,887,939
<b>Changes from financing cash flows:</b>	
Net movements of amount due to the ultimate holding company	<u>(5,464,012)</u>
<b>At 31st December 2022</b>	<u><u>423,927</u></u>

**30. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were authorised for issue by the board of directors on 22nd March 2024.

## **ANNEXURE 6**

### **2023 Audited Accounts of SFCL**

#### **SINOFORTUNE FINANCIAL CAPITAL LIMITED**

華億金融融資有限公司

#### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of Sinofortune Financial Capital Limited (the "Company") for the year ended 31st December 2023.

#### **PRINCIPAL ACTIVITY**

Sinofortune Financial Capital Limited (the "Company") is a company incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance and has its registered office and principal place of business at 16/F, CMA Building, No. 64-66 Connaught Road Central, Hong Kong.

The Company is a licensed corporation under the Securities and Futures Ordinance and is licensed to carry on Type 6 regulated activity in connection with advising on corporate finance. There are no significant changes compared with the activities conducted in previous year.

#### **BUSINESS REVIEW**

The business review is exempted to be disclosed in the directors' report as the Company satisfied the requirement of section 388(3)(b) of the Hong Kong Companies Ordinance.

#### **RESULTS AND APPROPRIATIONS**

The financial performance of the Company for the year ended 31st December 2023 and the Company's financial position as at that date are set out in the financial statements on pages 7 to 32.

The directors do not recommend the payment of a dividend in respect of the financial year.

#### **SHARE CAPITAL**

Details of the share capital of the Company are set out in note 13 to the financial statements. There was no movement of the share capital during the year.

#### **DIRECTORS**

The directors of the Company during the year and up to the date of this report were:

**CHEUNG Wai Yue**

**LAI Yuk Mui**

In accordance with the article 7 of the Company's Articles of Association, all existing directors shall retire from the office and shall be eligible for re-election.

#### **MANAGEMENT CONTRACTS**

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**DIRECTORS' REPORT (continued)**

**ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

At no time during the year was the Company, any of its holding companies or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by mean of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transactions, arrangements or contracts of significance to which the Company's holding company or any of its fellow subsidiaries was a party and in which a director of the Company or the entity connected with a director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

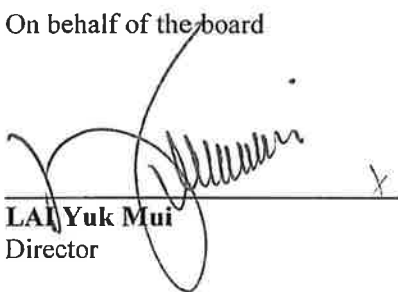
**PERMITTED INDEMNITY PROVISION**

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this year.

**AUDITOR**

A resolution will be submitted to the forthcoming annual general meeting to re-appoint CCTH CPA Limited as auditor of the Company.

On behalf of the board



**LAI Yuk Mui**  
Director

Hong Kong, 22nd March 2024



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**

華億金融融資有限公司

(Incorporated in Hong Kong with limited liability)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Sinofortune Financial Capital Limited (the "Company") set out on pages 7 to 32, which comprise the statement of financial position as at 31st December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information..

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 820 (Revised) "The Audit of Licensed Corporations and Associated Entities of Intermediaries" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the HKICPA's code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**

華億金融融資有限公司

(Incorporated in Hong Kong with limited liability)

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

In addition, the directors are required to ensure that the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

The directors are responsible for overseeing the Company's financial reporting process.



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**

華億金融融資有限公司

(Incorporated in Hong Kong with limited liability)

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition, we are required to obtain reasonable assurance about whether the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**

華億金融融資有限公司

(Incorporated in Hong Kong with limited liability)

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

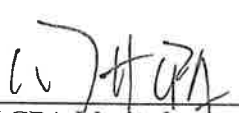
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on matters under the Hong Kong Securities and Futures (Keeping of Records) Rules and Hong Kong Securities and Futures (Accounts and Audit) Rules of the Hong Kong Securities and Futures Ordinance**

In our opinion, the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.



  
**CCTH CPA Limited**  
*Certified Public Accountants*

**Lee Chi Hang**  
Practising certificate number P01957

Hong Kong, 22nd March 2024

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

	<u>Notes</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
Revenue	6	-	-
Administrative expenses		<u>(650)</u>	<u>(800)</u>
Loss before tax	7	(650)	(800)
Income tax expense	9	<u>-</u>	<u>-</u>
Loss and total comprehensive expense for the year		<u>(650)</u>	<u>(800)</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2023**

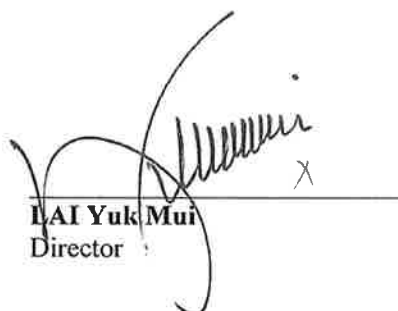
(Amounts expressed in Hong Kong dollars)

	<u>Notes</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
<b>Current Assets</b>			
Bank balances and cash	11	<u>287,233</u>	<u>287,883</u>
<b>Current Liabilities</b>			
Amount due to the ultimate holding company	12	<u>2,000</u>	<u>2,000</u>
<b>Net Current Assets</b>		<u>285,233</u>	<u>285,883</u>
		<u>285,233</u>	<u>285,883</u>
<b>Equity</b>			
Share capital	13	2,400,000	2,400,000
Reserves		<u>(2,114,767)</u>	<u>(2,114,117)</u>
		<u>285,233</u>	<u>285,883</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Approved by the board of directors on 22nd March 2024 and signed by:

  
**CHEUNG Wai Yue**  
 Director

  
**LAI Yuk Mui**  
 Director

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

	Share capital HK\$	Accumulated losses HK\$	Total HK\$
At 1st January 2022	2,400,000	(2,113,317)	286,683
Loss and total comprehensive expense for the year	-	(800)	(800)
At 31st December 2022 and 1st January 2023	2,400,000	(2,114,117)	285,883
Loss and total comprehensive expense for the year	-	(650)	(650)
At 31st December 2023	2,400,000	(2,114,767)	285,233

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

	<u>2023</u> HK\$	<u>2022</u> HK\$
Loss before tax	<u>(650)</u>	<u>(800)</u>
Operating cash flow before movements in working capital	(650)	(800)
<b>Cash flows from operating activities</b>		
Increase in amount due to the ultimate holding company	<u>-</u>	<u>1,000</u>
Net cash (used in)/generated from operating activities	<u>(650)</u>	<u>200</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(650)	200
<b>Cash and cash equivalents</b>		
Balance at the beginning of the year	<u>287,883</u>	<u>287,683</u>
<b>Cash and cash equivalents</b>		
Balance at the end of the year (note 11)	<u>287,233</u>	<u>287,883</u>

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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**1. GENERAL**

Sinofortune Financial Capital Limited (the “Company”) is a limited liability company incorporated in Hong Kong under Hong Kong Companies Ordinance. The Company’s registered office and principal place of business is located at 16th Floor, CMA Building, No. 64-66 Connaught Road Central, Hong Kong.

The Company is a licensed corporation under the Securities and Futures Ordinance and is licensed to carry on the regulated activity in connection with advising on corporate finance.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company are Sinofortune Financial Holdings (BVI) Limited, a limited liability company incorporated in British Virgin Islands, and Sinofortune Financial Holdings Limited, a limited liability company incorporated in Cayman Islands, respectively. The shares of Sinofortune Financial Holdings Limited are listed on GEM of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”).

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. In addition, these financial statements have also been prepared in accordance with the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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**3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1st January 2023 for the preparation of the financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year had no material impact on the Company’s financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**

(Amounts expressed in Hong Kong dollars)

**3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**

Amendments to HKFRSs in issue but not yet effective

The Company has not early applied and following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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**4. MATERIAL ACCOUNTING POLICY INFORMATION**

Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), the collective term which includes all Hong Kong Financial Reporting Standards, Hong Kong Accounting standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinances. Material accounting policy information adopted by the Company are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. Information on adoption of new accounting standards to the extent that they are relevant to the company for the current and prior accounting periods are shown in note 3.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below, and on the basis that the Company is going concern.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

The principal accounting policies are stated below:

**(a) Revenue recognition**

The Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs;
- the Company’s performance creates or enhances an asset that the customer controls as the Company performs or;
- the Company’s performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at point in time when the customer obtains control of the distinct good or service.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Company applies the practical expedient of not adjusting the transaction price for any significant financing component.

Further details of the Company’s revenue and other income recognition policies are as follows:

- (i) Dividend income is recognised when the right to receive payment is established.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(b) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit or loss before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(b) Taxation (continued)**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**(c) Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Dividend income which are derived from the Company's ordinary course of business are included in other income and losses, net.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets*

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved both by selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that it is not designated and effective as a hedging instrument.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Classification and subsequent measurement of financial assets (continued)*

In addition, the Company may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income or losses, net in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income or losses, net".

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets*

The Company performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including bank balances and cash) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Company always recognises lifetime ECL for trade receivables.

For all other instruments, the Company measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

For loan commitments and financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the company considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(ii) Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e: the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive; discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payment to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Company if the holder of the loan commitments draws down the loan, and the cash flows that the Company expects to receive if the loan is drawn down.

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Company will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(v) Measurement and recognition of ECL (continued)

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Company takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

*Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated loss.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial liabilities and equity instruments*

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities at amortised cost*

Financial liabilities, including amount due to the ultimate holding company, are subsequently measured at amortised cost, using the effective interest method.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, the shorter period, to the net carrying amount on initial recognition.

*Derecognition of financial liabilities*

The Company derecognises a financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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**5. KEY SOURCE OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 4, the directors of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and estimation uncertainties that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**(a) Income taxes**

The Company is subject to income taxes in Hong Kong. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issued based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**(b) Impairment of financial assets at amortised cost**

The management of the Company assessed the financial assets based on the financial background, collateral and the historical settlement records, including past due dates, default rates, forward-looking information that is reasonable, supportable and available without undue cost or effort.

***Provision for expected credit losses of financial assets at amortised cost***

The Company uses a provision of matrix approach to calculate ECLs for financial assets. The determination of default rates takes into account historical data and forward-looking information which involves a significant degree of management judgment.

The provision of ECLs is sensitive to changes in circumstances and of forecast general economic conditions. If the financial condition of the customers or the forecast economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

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**6. REVENUE**

The Company did not generate any revenue during the year (2022: HK\$ Nil).

**7. LOSS BEFORE TAX**

Loss before tax is arrived at after charging:

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Auditor's remuneration (Note)	<u>-</u>	<u>-</u>

Note:

The auditor's remuneration for the year ended 31st December 2023 and 2022 is borne by its ultimate holding company, Sinofortune Financial Holdings Limited.

**8. INFORMATION ABOUT BENEFITS TO DIRECTORS**

Details of the director's benefits disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap.622) and Companies (Disclosure of information about benefits of directors) Regulation (Cap. 622G) are as follows:-

- (a) No payments for emoluments, retirement benefits, termination of office or services as directors were made to or receivable by the directors or any other parties in respect of the year.
- (b) No loans, quasi-loans and other dealings in favour of the directors to the Company or entities connected with the directors were made or entered into by the Company during the year or subsisted at the end of the year.
- (c) The Company has not entered into any transactions, arrangements or contracts during the year, in which the directors of the Company has material interests.

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**9. INCOME TAX EXPENSE**

No provision has been made for Hong Kong profits tax as the Company has no estimated assessable profits for the year. (2022: HK\$ Nil).

The income tax expense for the year can be reconciled to the loss before income tax expense in the statement of profit or loss and other comprehensive income as follows:

	<u>2023</u> HK\$	<u>2022</u> HK\$
Loss before income tax expense	<u>(650)</u>	<u>(800)</u>
Tax at the Hong Kong tax rate of 16.5% (2022: 16.5%)	(107)	(132)
Tax effect of expenses not deductible for tax purpose	<u>107</u>	<u>132</u>
Income tax expense	<u>-</u>	<u>-</u>

At the end of the reporting period, the Company has unrecognised tax loss appropriately HK\$2,003,063 (2022: HK\$2,003,063) to carry forward against future taxable income. The deferred tax asset has not been recognised due to unpredictability of future profit streams against which the tax loss can be utilised. These unrecognised tax losses have no expiry date.

**10. DIVIDENDS**

No dividend has been paid or declared by the Company during the year (2022: Nil).

**11. BANK BALANCES AND CASH**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Cash at bank and on hand	<u>287,233</u>	<u>287,883</u>

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**12. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY**

The amount due to the ultimate holding company is unsecured, interest free and repayable on demand.

**13. SHARE CAPITAL**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Issued and fully paid:-		
At the beginning and the end of the year		
2,400,000 ordinary shares with no par value	<u>2,400,000</u>	<u>2,400,000</u>

**14. CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it maintains the requirement of liquid capital as a licensed corporation under the Securities and Futures Ordinance (“SFO”). Management monitors the Company’s liquid capital on a daily basis to ensure it meets the minimum capital requirement in accordance with Hong Kong Securities and Futures (Financial Resources) Rules. The Company had been in compliance with the capital requirements imposed by Hong Kong Securities and Futures (Financial Resources) Rules during the year.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital.

The directors review the capital structure on an annual basis. As part of the review, the directors consider the cost of capital and the risks associated with its capital. Based on the recommendations of the directors, the Company balances its overall capital structure through the optimisation of the debt and equity balance. The Company’s overall strategy remains unchanged throughout the year.

**15. FINANCIAL INSTRUMENTS BY CATEGORY**

The carrying amounts of each of the categories of financial assets and financial liabilities as at the end of the reporting period are as follows:

	<u>2023</u> HK\$	<u>2022</u> HK\$
<b>Financial assets</b>		
<i>At amortised cost</i>		
Bank balances and cash	<u>287,233</u>	<u>287,883</u>
<b>Financial liabilities</b>		
<i>At amortised cost</i>		
Amount due to the ultimate holding company	<u>2,000</u>	<u>2,000</u>

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instruments comprise bank balances and cash and amount due to the ultimate holding company. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments are set out below:

**(a) Market risk management**

*Interest rate risk*

The Company's cash flow interest rate risk relates primarily to their variable-rate bank deposits. The Company currently has not entered into interest rate swaps to hedge against their exposure to interest rate risk. The Company does not have a specific policy to manage its interest rate risk, but will closely monitor the interest rate exposure in the future.

*Foreign currency risk*

The Company does not have significant foreign exchange risk arising from future commercial transactions and recognised financial assets and liabilities since almost all of them are in Hong Kong dollars.

**(b) Credit risk management**

The Company is exposed to credit risk and the Company's maximum exposure to credit risk in relation to financial assets is the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, having considered available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor/customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Company and changes in the operating results of the customer.

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(b) Credit risk management (continued)**

**(i) Cash and cash equivalents**

The table below show the details of bank balances maintained at the end of the reporting period:

	Rating	<u>2023</u> HK\$	<u>2022</u> HK\$
Cash at banks and bank deposits	Aa1	<u>287,233</u>	<u>287,883</u>

The rating represents long-term credit rating provided by Moody's, an internationally recognised credit rating agency. A rating within the "A" category is judged to be upper-medium grade and are subject to low credit risk under the rating regime of Moody's. Given that significant portion of the bank deposits are placed with banks that are independently rated with high credit rating with no default history in past years, management of the Company considers that the credit risk on the bank balances and bank deposits is limited.

**(c) Liquidity risk management**

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and other source of funding.

**Liquidity table**

The following tables detail the contractual maturities of the Company for their non-derivative financial liabilities, which are based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of reporting period.

In addition, the following tables detail the contractual maturities of the Company for their non-derivative financial assets, which are based on undiscounted cash flows of financial assets based on the earliest date on which the Company can be required to pay. The inclusion of information on these non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

The amounts included below for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variance interest rates differ to those estimates of interest rates determined at the end of the reporting period.

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(c) Liquidity risk management (continued)

Liquidity table (continued)

<u>31st December 2023</u>	On demand or within 1 year	Between 1 and 2 years	Total undiscounted cash flows	Carrying amount
	HK\$	HK\$	HK\$	HK\$
<b>Non-derivative financial liabilities</b>				
Amount due to the ultimate holding company	2,000	-	2,000	2,000
<u>31st December 2022</u>	On demand or within 1 year	Between 1 and 2 years	Total undiscounted cash flows	Carrying amount
	HK\$	HK\$	HK\$	HK\$
<b>Non-derivative financial liabilities</b>				
Amount due to the ultimate holding company	2,000	-	2,000	2,000

**17. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved and authorised for issue by the board of directors on 22nd March 2024.

(For management purposes only)

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**

華億金融融資有限公司

**DETAILED STATEMENT OF PROFIT OR LOSS**

**FOR THE YEAR ENDED 31ST DECEMBER 2023**

(Amounts expressed in Hong Kong dollars)

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
REVENUE	-	-
ADMINISTRATIVE EXPENSES	<u>(650)</u>	<u>(800)</u>
LOSS BEFORE TAX	<u><u>(650)</u></u>	<u><u>(800)</u></u>

Note: The unaudited figures and financial information relating to the year ended 31st December 2023 included in these detailed statement of profit or loss and accompanying schedules are not the Company's statutory annual financial statements for that year. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- (a) As the Company is a private company, the Company is not required to deliver its financial statements to the Registrar of Companies, and will not do so.
- (b) The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not included a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

(For management purposes only)

**SINOFORTUNE FINANCIAL CAPITAL LIMITED**  
**華億金融融資有限公司**

**SCHEDULES OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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<b>ADMINISTRATIVE EXPENSES</b>	<u><b>2023</b></u>	<u><b>2022</b></u>
	<b>HK\$</b>	<b>HK\$</b>
Bank charges	<u><u>650</u></u>	<u><u>800</u></u>

**Regent Tax Consultants Limited****偉正稅務顧問有限公司**

Unit 1510-1517, 15/F., Tower 2, Kowloon Commerce Centre

No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong

香港新界葵涌葵昌路51號九龍貿易中心第2座15樓1510-1517室

Tel: (852) 2545 4654

Fax: (852) 2543 2229

**IRD FILE No.: 22/31502316****SINOFORTUNE FINANCIAL CAPITAL LIMITED****華億金融融資有限公司****PROFITS TAX COMPUTATION - 2023/24**

Basis period: Account for the year ended 31st December 2023.

	<u>HK\$</u>
Loss per account	(650)
Add back due to no accessible income	<u>650</u>
Assessable profit/adjusted loss	<u><u>-</u></u>

**STATEMENT OF LOSS**

Loss b/f and c/f	<u><u>2,003,063</u></u>
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## **ANNEXURE 7**

### **2023 Audited Accounts of SAML**

#### **SINOFORTUNE ASSET MANAGEMENT LIMITED**

華億資產管理有限公司

#### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of Sinofortune Asset Management Limited (the "Company") for the year ended 31st December 2023.

#### **PRINCIPAL ACTIVITY**

Sinofortune Asset Management Limited (the "Company") is a company incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance and has its registered office and principal place of business at 16/F, CMA Building, No. 64-66 Connaught Road Central, Hong Kong.

The Company is a licensed corporation under the Securities and Futures Ordinance and is licensed to carry on Type 9 regulated activity in connection with asset management. There are no significant changes compared with the activities conducted in previous year.

#### **BUSINESS REVIEW**

The business review is exempted to be disclosed in the directors' report as the Company satisfied the requirement of section 388(3)(b) of the Hong Kong Companies Ordinance.

#### **RESULTS AND APPROPRIATIONS**

The financial performance of the Company for the year ended 31st December 2023 and the Company's financial position as at that date are set out in the financial statements on pages 7 to 32.

The directors do not recommend the payment of a dividend in respect of the financial year.

#### **SHARE CAPITAL**

Details of the share capital of the Company are set out in note 13 to the financial statements. There was no movement of the share capital during the year.

#### **DIRECTORS**

The directors of the Company during the year and up to the date of this report were:

**CHEUNG Wai Yue**  
**LAI Yuk Mui**

In accordance with the article 7 of the Company's Articles of Association, all existing directors shall retire from the office and shall be eligible for re-election.

#### **MANAGEMENT CONTRACTS**

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

**SINOFORTUNE ASSET MANAGEMENT LIMITED**  
**華億資產管理有限公司**

**DIRECTORS' REPORT (continued)**

**ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

At no time during the year was the Company, any of its holding companies or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by mean of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transactions, arrangements or contracts of significance to which the Company's holding company or any of its fellow subsidiaries was a party and in which a director of the Company or the entity connected with a director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

**PERMITTED INDEMNITY PROVISION**

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this year.

**AUDITOR**

A resolution will be submitted to the forthcoming annual general meeting to re-appoint **CCTH CPA Limited** as auditor of the Company.

On behalf of the board



LA I Yuk Mui  
Director

Hong Kong, 22nd March 2024



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE ASSET MANAGEMENT LIMITED**

華億資產管理有限公司

(Incorporated in Hong Kong with limited liability)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Sinofortune Asset Management Limited (the "Company") set out on pages 7 to 32, which comprise the statement of financial position as at 31st December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HSAs") and with reference to Practice Note 820 (Revised) "The Audit of Licensed Corporations and Associated Entities of Intermediaries" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the HKICPA's code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE ASSET MANAGEMENT LIMITED**

華億資產管理有限公司

(Incorporated in Hong Kong with limited liability)

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

In addition, the directors are required to ensure that the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

The directors are responsible for overseeing the Company's financial reporting process.



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE ASSET MANAGEMENT LIMITED**

華億資產管理有限公司

(Incorporated in Hong Kong with limited liability)

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition, we are required to obtain reasonable assurance about whether the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**

**SINOFORTUNE ASSET MANAGEMENT LIMITED**

華億資產管理有限公司

(Incorporated in Hong Kong with limited liability)

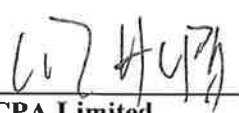
**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on matters under the Hong Kong Securities and Futures (Keeping of Records) Rules and Hong Kong Securities and Futures (Accounts and Audit) Rules of the Hong Kong Securities and Futures Ordinance**

In our opinion, the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

  
**CCTH CPA Limited**  
*Certified Public Accountants*



**Lee Chi Hang**  
**Practising certificate number P01957**

Hong Kong, 22nd March 2024

**SINOFORTUNE ASSET MANAGEMENT LIMITED**  
**華億資產管理有限公司**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

	<u>Notes</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
Revenue	6	-	-
Administrative expenses		<u>(650)</u>	<u>(800)</u>
Loss before tax	7	(650)	(800)
Income tax expense	9	<u>-</u>	<u>-</u>
Loss and total comprehensive expense for the year		<u>(650)</u>	<u>(800)</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**SINOFORTUNE ASSET MANAGEMENT LIMITED**  
**華億資產管理有限公司**

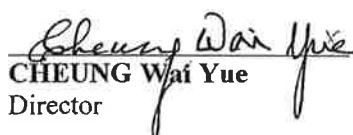
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2023**

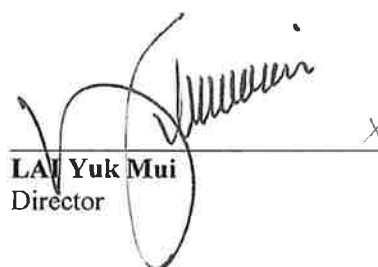
(Amounts expressed in Hong Kong dollars)

	<u>Notes</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
<b>Current Assets</b>			
Bank balances and cash	11	<u>457,415</u>	<u>458,065</u>
<b>Current Liabilities</b>			
Amount due to the ultimate holding company	12	<u>2,000</u>	<u>2,000</u>
<b>Net Current Assets</b>		<u>455,415</u>	<u>456,065</u>
		<u>455,415</u>	<u>456,065</u>
<b>Equity</b>			
Share capital	13	500,000	500,000
Reserves		<u>(44,585)</u>	<u>(43,935)</u>
		<u>455,415</u>	<u>456,065</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Approved by the board of directors on 22nd March 2024 and signed by:

  
**CHEUNG Wai Yue**  
 Director

  
**LAI Yuk Mui**  
 Director

**SINOFORTUNE ASSET MANAGEMENT LIMITED**  
**華億資產管理有限公司**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

	Share capital HK\$	Accumulated losses HK\$	Total HK\$
At 1st January 2022	500,000	(43,135)	456,865
Loss and total comprehensive expense for the year	-	(800)	(800)
At 31st December 2022 and 1st January 2023	500,000	(43,935)	456,065
Loss and total comprehensive expense for the year	-	(650)	(650)
At 31st December 2023	500,000	(44,585)	455,415

**SINOFORTUNE ASSET MANAGEMENT LIMITED**  
**華億資產管理有限公司**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

	<u>2023</u> HK\$	<u>2022</u> HK\$
Loss before tax	<u>(650)</u>	<u>(800)</u>
Operating cash flow before movements in working capital	(650)	(800)
<b>Cash flows from operating activities</b>		
Increase in amount due to the ultimate holding company	<u>-</u>	<u>1,000</u>
Net cash (used in)/generated from operating activities	<u>(650)</u>	<u>200</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(650)	200
<b>Cash and cash equivalents</b>		
Balance at the beginning of the year	<u>458,065</u>	<u>457,865</u>
<b>Cash and cash equivalents</b>		
Balance at the end of the year (note 11)	<u>457,415</u>	<u>458,065</u>

**SINOFORTUNE ASSET MANAGEMENT LIMITED**  
**華億資產管理有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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**1. GENERAL**

Sinofortune Asset Management Limited (the “Company”) is a limited liability company incorporated in Hong Kong under Hong Kong Companies Ordinance. The Company’s registered office and principal place of business is located at 16th Floor, CMA Building, No. 64-66 Connaught Road Central, Hong Kong.

The Company is a licensed corporation under the Securities and Futures Ordinance and is licensed to carry on the regulated activity in connection with asset management.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company are Sinofortune Financial Holdings (BVI) Limited, a limited liability company incorporated in British Virgin Islands, and Sinofortune Financial Holdings Limited, a limited liability company incorporated in Cayman Islands, respectively. The shares of Sinofortune Financial Holdings Limited are listed on GEM of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”).

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. In addition, these financial statements have also been prepared in accordance with the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

**SINOFORTUNE ASSET MANAGEMENT LIMITED**  
**華億資產管理有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**

(Amounts expressed in Hong Kong dollars)

**3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1st January 2023 for the preparation of the financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year had no material impact on the Company’s financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

**SINOFORTUNE ASSET MANAGEMENT LIMITED**  
**華億資產管理有限公司**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

**3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**

Amendments to HKFRSs in issue but not yet effective

The Company has not early applied and following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION**

Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), the collective term which includes all Hong Kong Financial Reporting Standards, Hong Kong Accounting standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinances. Material accounting policy information adopted by the Company are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. Information on adoption of new accounting standards to the extent that they are relevant to the company for the current and prior accounting periods are shown in note 3.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below, and on the basis that the Company is going concern.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

The principal accounting policies are stated below:

**(a) Revenue recognition**

The Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs;
- the Company’s performance creates or enhances an asset that the customer controls as the Company performs or;
- the Company’s performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at point in time when the customer obtains control of the distinct good or service.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Company applies the practical expedient of not adjusting the transaction price for any significant financing component.

Further details of the Company’s revenue and other income recognition policies are as follows:

- (i) Dividend income is recognised when the right to receive payment is established.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(b) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit or loss before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(b) Taxation (continued)**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**(c) Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Dividend income which are derived from the Company's ordinary course of business are included in other income and losses, net.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets*

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved both by selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that it is not designated and effective as a hedging instrument.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Classification and subsequent measurement of financial assets (continued)*

In addition, the Company may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income or losses, net in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income or losses, net".

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets*

The Company performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including bank balances and cash) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Company always recognises lifetime ECL for trade receivables.

For all other instruments, the Company measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

For loan commitments and financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the company considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(ii) Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e: the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive; discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payment to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Company if the holder of the loan commitments draws down the loan, and the cash flows that the Company expects to receive if the loan is drawn down.

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Company will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial assets (continued)*

*Impairment of financial assets (continued)*

(v) Measurement and recognition of ECL (continued)

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Company takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

*Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated loss.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) Financial instruments (continued)

*Financial liabilities and equity instruments*

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities at amortised cost*

Financial liabilities, including amount due to the ultimate holding company, are subsequently measured at amortised cost, using the effective interest method.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, the shorter period, to the net carrying amount on initial recognition.

*Derecognition of financial liabilities*

The Company derecognises a financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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**5. KEY SOURCE OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 4, the directors of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and estimation uncertainties that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**(a) Income taxes**

The Company is subject to income taxes in Hong Kong. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issued based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**(b) Impairment of financial assets at amortised cost**

The management of the Company assessed the financial assets based on the financial background, collateral and the historical settlement records, including past due dates, default rates, forward-looking information that is reasonable, supportable and available without undue cost or effort.

***Provision for expected credit losses of financial assets at amortised cost***

The Company uses a provision of matrix approach to calculate ECLs for financial assets. The determination of default rates takes into account historical data and forward-looking information which involves a significant degree of management judgment.

The provision of ECLs is sensitive to changes in circumstances and of forecast general economic conditions. If the financial condition of the customers or the forecast economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

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**6. REVENUE**

The Company did not generate any revenue during the year (2022: HK\$ Nil).

**7. LOSS BEFORE TAX**

Loss before tax is arrived at after charging:

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Auditor's remuneration (Note)	-	-

Note:

The auditor's remuneration for the year ended 31st December 2023 and 2022 is borne by its ultimate holding company, Sinofortune Financial Holdings Limited.

**8. INFORMATION ABOUT BENEFITS TO DIRECTORS**

Details of the director's benefits disclosed pursuant to section 383(1) of the Companies Ordinance (Cap.622) and Companies (Disclosure of information about benefits of directors) Regulation (Cap. 622G) are as follows:-

- (a) No payments for emoluments, retirement benefits, termination of office or services as directors were made to or receivable by the directors or any other parties in respect of the year.
- (b) No loans, quasi-loans and other dealings in favour of the directors to the Company or entities connected with the directors were made or entered into by the Company during the year or subsisted at the end of the year.
- (c) The Company has not entered into any transactions, arrangements or contracts during the year, in which the directors of the Company has material interests.

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**9. INCOME TAX EXPENSE**

No provision has been made for Hong Kong profits tax as the Company has no estimated assessable profits for the year. (2022: HK\$ Nil).

The income tax expense for the year can be reconciled to the loss before income tax expense in the statement of profit or loss and other comprehensive income as follows:

	<u>2023</u> HK\$	<u>2022</u> HK\$
Loss before income tax expense	<u>(650)</u>	<u>(800)</u>
Tax at the Hong Kong tax rate of 16.5% (2022: 16.5%)	(107)	(132)
Tax effect of expenses not deductible for tax purpose	<u>107</u>	<u>132</u>
Income tax expense	<u>-</u>	<u>-</u>

At the end of the reporting period, the Company has unrecognised tax loss appropriately HK\$36,945 (2022: HK\$36,945) to carry forward against future taxable income. The deferred tax asset has not been recognised due to unpredictability of future profit streams against which the tax loss can be utilised. These unrecognised tax losses have no expiry date.

**10. DIVIDENDS**

No dividend has been paid or declared by the Company during the year (2022: Nil).

**11. BANK BALANCES AND CASH**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Cash at bank and on hand	<u>457,415</u>	<u>458,065</u>

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**12. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY**

The amount due to the ultimate holding company is unsecured, interest free and repayable on demand.

**13. SHARE CAPITAL**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Issued and fully paid:-		
At the beginning and the end of the year		
500,000 ordinary shares with no par value	<u>500,000</u>	<u>500,000</u>

**14. CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it maintains the requirement of liquid capital as a licensed corporation under the Securities and Futures Ordinance (“SFO”). Management monitors the Company’s liquid capital on a daily basis to ensure it meets the minimum capital requirement in accordance with Hong Kong Securities and Futures (Financial Resources) Rules. The Company had been in compliance with the capital requirements imposed by Hong Kong Securities and Futures (Financial Resources) Rules during the year.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital.

The directors review the capital structure on an annual basis. As part of the review, the directors consider the cost of capital and the risks associated with its capital. Based on the recommendations of the directors, the Company balances its overall capital structure through the optimisation of the debt and equity balance. The Company’s overall strategy remains unchanged throughout the year.

**15. FINANCIAL INSTRUMENTS BY CATEGORY**

The carrying amounts of each of the categories of financial assets and financial liabilities as at the end of the reporting period are as follows:

	<u>2023</u> HK\$	<u>2022</u> HK\$
<b>Financial assets</b>		
<i>At amortised cost</i>		
Bank balances and cash	<u>457,415</u>	<u>458,065</u>
	<u>2023</u> HK\$	<u>2022</u> HK\$
<b>Financial liabilities</b>		
<i>At amortised cost</i>		
Amount due to the ultimate holding company	<u>2,000</u>	<u>2,000</u>

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**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instruments comprise bank balances and cash and amount due to the ultimate holding company. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments are set out below:

(a) Market risk management

*Interest rate risk*

The Company's cash flow interest rate risk relates primarily to their variable-rate bank deposits. The Company currently has not entered into interest rate swaps to hedge against their exposure to interest rate risk. The Company does not have a specific policy to manage its interest rate risk, but will closely monitor the interest rate exposure in the future.

*Foreign currency risk*

The Company does not have significant foreign exchange risk arising from future commercial transactions and recognised financial assets and liabilities since almost all of them are in Hong Kong dollars.

(b) Credit risk management

The Company is exposed to credit risk and the Company's maximum exposure to credit risk in relation to financial assets is the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, having considered available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor/customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Company and changes in the operating results of the customer.

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**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(b) Credit risk management (continued)**

**(i) Cash and cash equivalents**

The table below show the details of bank balances maintained at the end of the reporting period:

	Rating	<u>2023</u> HK\$	<u>2022</u> HK\$
Cash at banks and bank deposits	Aa1	<u>457,415</u>	<u>458,065</u>

The rating represents long-term credit rating provided by Moody's, an internationally recognised credit rating agency. A rating within the "A" category is judged to be upper-medium grade and are subject to low credit risk under the rating regime of Moody's. Given that significant portion of the bank deposits are placed with banks that are independently rated with high credit rating with no default history in past years, management of the Company considers that the credit risk on the bank balances and bank deposits is limited.

**(c) Liquidity risk management**

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and other source of funding.

**Liquidity table**

The following tables detail the contractual maturities of the Company for their non-derivative financial liabilities, which are based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of reporting period.

In addition, the following tables detail the contractual maturities of the Company for their non-derivative financial assets, which are based on undiscounted cash flows of financial assets based on the earliest date on which the Company can be required to pay. The inclusion of information on these non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

The amounts included below for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variance interest rates differ to those estimates of interest rates determined at the end of the reporting period.

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**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(c) Liquidity risk management (continued)

Liquidity table (continued)

<u>31st December 2023</u>	On demand or within 1 year	Between 1 and 2 years	Total undiscounted cash flows	Carrying amount
	HK\$	HK\$	HK\$	HK\$
<b>Non-derivative financial liabilities</b>				
Amount due to the ultimate holding company	2,000	-	2,000	2,000
<u>31st December 2022</u>	On demand or within 1 year	Between 1 and 2 years	Total undiscounted cash flows	Carrying amount
	HK\$	HK\$	HK\$	HK\$
<b>Non-derivative financial liabilities</b>				
Amount due to the ultimate holding company	2,000	-	2,000	2,000

**17. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved and authorised for issue by the board of directors on 22nd March 2024.

**Regent Tax Consultants Limited****偉正稅務顧問有限公司**

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**IRD FILE No.: 22/39545110****SINOFORTUNE ASSET MANAGEMENT LIMITED****華億資產管理有限公司****PROFITS TAX COMPUTATION - 2023/24**

Basis period: Account for the year ended 31st December 2023.

	<u>HK\$</u>
Loss per account	(650)
Add back due to no accessible income	<u>650</u>
Assessable profit/adjusted loss	<u><u>-</u></u>

**STATEMENT OF LOSS**

Loss b/f and c/f	<u><u>36,945</u></u>
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(For management purposes only)

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**DETAILED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**

(Amounts expressed in Hong Kong dollars)

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
REVENUE	-	-
ADMINISTRATIVE EXPENSES	<u>(650)</u>	<u>(800)</u>
LOSS BEFORE TAX	<u><u>(650)</u></u>	<u><u>(800)</u></u>

Note: The unaudited figures and financial information relating to the year ended 31st December 2023 included in these detailed statement of profit or loss and accompanying schedules are not the Company's statutory annual financial statements for that year. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- (a) As the Company is a private company, the Company is not required to deliver its financial statements to the Registrar of Companies, and will not do so.
- (b) The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not included a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

(For management purposes only)

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**SCHEDULES OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**  
(Amounts expressed in Hong Kong dollars)

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ADMINISTRATIVE EXPENSES	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Bank charges	<u>650</u>	<u>800</u>