

# ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED

## REPORT OF THE SOLE DIRECTOR

The Sole director has pleasure in submitting the first report together with the audited financial statements for the period from 14 September 2010 (date of incorporation) to 31 December 2014.

## PRINCIPAL ACTIVITIES

The principal activities of the company are investment, management and consulting.

## RESULTS AND AFFAIRS

The result of the company for the period ended 31 December 2014 and the state of its affairs at that date are set out in the annexed financial statements.

## SHARE CAPITAL

Movement in share capital during the period is shown in note 7 to the financial statements.

## DIRECTOR

The Sole director during the period was:

HUANG Huei-Ching - appointed on 14 September 2010

In accordance with article 13 of the company's articles of association, a director is not subject to rotation or retirement at the annual general meeting.

## DIRECTOR'S INTERESTS

No contracts of significance in relation to the company's business to which the company was a party and in which the sole director of the company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

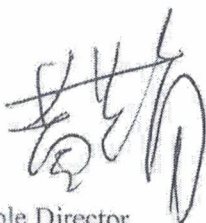
At no time during the period was the company a party to any arrangements to enable the sole director of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**REPORT OF THE SOLE DIRECTOR**

**AUDITORS**

The financial statements have been audited by Golden Mark & Company, Certified Public Accountants who retire and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to be a stylized representation of the Chinese characters '李' (Li) and '卓' (Zhuo), likely the name of the Sole Director.

Sole Director

Hong Kong,

24 MAR 2017



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**

(incorporated in Hong Kong with limited liability)

**Report on the Financial Statements**

We have audited the financial statements of Asia Fortune International Holdings Limited ("the Company") set out on pages 5 to 13 which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the first period then ended and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements**

Management of the Company is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. The report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**

(incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014 and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

*Golden Mark & Co.*

**GOLDEN MARK & COMPANY**

Certified Public Accountants

Hong Kong,

24 MAR 2017

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 14 SEPTEMBER 2010**  
**(DATE OF INCORPORATION) TO 31 DECEMBER 2014**

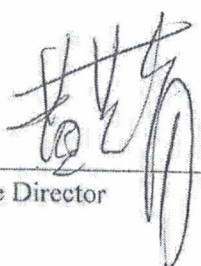
	<u>NOTES</u>	US\$
OTHER INCOME	3	551
ADMINISTRATIVE EXPENSES		(1,727)
FINANCE COST		<u>(3)</u>
LOSS BEFORE TAXATION	4	(1,179)
INCOME TAX	5	<u>--</u>
LOSS FOR THE PERIOD		(1,179)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		<u>--</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(1,179)</u></u>

The notes on pages 9 to 13 form part of the financial statements.

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

	<u>NOTES</u>	US\$
<b>CURRENT ASSETS</b>		
Other receivable		68
Amounts due from shareholders		129,032
Cash at bank	6	<u>43</u>
		<u>129,143</u>
<b>CURRENT LIABILITIES</b>		
Accrued expenses		<u>1,290</u>
		<u>1,290</u>
<b>NET CURRENT ASSETS</b>		<u>127,853</u>
<b>NET ASSETS</b>		<u>127,853</u>
Financed by :		
<b>SHARE CAPITAL</b>	7	129,032
<b>ACCUMULATED LOSS</b>		<u>(1,179)</u>
<b>SHAREHOLDERS' FUND</b>		<u>127,853</u>

Approved by:

  
 Sole Director

The notes on pages 9 to 13 form part of the financial statements.

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM 14 SEPTEMBER 2010**  
**(DATE OF INCORPORATION) TO 31 DECEMBER 2014**

	Share <u>capital</u> US\$	Accumulated <u>loss</u> US\$	<u>Total</u> US\$
Issue of share capital	129,032	--	129,032
Loss for the first period	<u>--</u>	<u>(1,179)</u>	<u>(1,179)</u>
Balance at 31 December 2014	<u><u>129,032</u></u>	<u><u>(1,179)</u></u>	<u><u>127,853</u></u>

The notes on pages 9 to 13 form part of the financial statements.

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 14 SEPTEMBER 2010**  
**(DATE OF INCORPORATION) TO 31 DECEMBER 2014**

	US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss before taxation	(663)
Adjustments for:	
Interest expense	<u>3</u>
	(660)
Increase in other receivable, deposits and prepayment	(68)
Increase in amounts due from shareholders	(129,032)
Increase in other payable and accruals	<u>774</u>
Cash absorbed by operations	(128,986)
Interest expense	<u>(3)</u>
	<u>(128,989)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>---</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Issue of share capital	<u>129,032</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	43
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>---</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u><u>43</u></u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>	
Cash at bank	<u><u>43</u></u>

The notes on pages 9 to 13 form part of the financial statements.

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

**1. GENERAL**

The company is a private limited company incorporated in Hong Kong on 14 September 2010.

The company's registered office is located at Unit 7-8, 13/F, Progress Commercial Building, 9 Irving Street, Causeway Bay, Hong Kong.

The principal activities of the company are investment, management and consulting.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, as modified by financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements.

**a. Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)**

**b. Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)**

c. Translation of foreign currencies

The financial statements are presented in United States dollars (US\$), which is the Company's functional and presentation currency.

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 translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

d. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

**3. REVENUE**

Other income represents sundry income.

**4. LOSS BEFORE TAXATION**

Loss before taxation is stated after charging:

	US\$
Audit fee	1,290
Director's remuneration	
- fee	--
- other emoluments	--
	<hr/>

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

**5. INCOME TAX**

No provision for Hong Kong Profits Tax has been made as the sole director considers that the company did not earn income subject to Hong Kong Profits Tax during the period.

**6. CASH AT BANK**

All the bank balance is denominated in Hong Kong dollars.

**7. SHARE CAPITAL**

	US\$
<u>Issued and fully paid:</u>	
1,000,000 shares (HK\$1,000,000)	<u>129,032</u>

The company was incorporated with an authorized share capital of HK\$1,000,000 dividing into 1,000,000 shares of HK\$1 each, all of which are taken up by the founder members.

Under the Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorized share capital no longer exists.

In accordance with section 135 of the Hong Kong Companies Ordinance (Cap. 622), the company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

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 shareholders 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 shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**ASIA FORTUNE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

**7. SHARE CAPITAL (Continued)**

The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (not including amount due to shareholders) less cash and cash equivalents. Total capital is calculated as “equity”, as shown in the statement of financial position, plus net debt.

**8. FINANCIAL INSTRUMENT**

Financial instruments comprise financial assets and financial liabilities.

The nature of financial instrument risks comprises market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk.

At 31 December 2014, the company has no significant exposure to these risks.

**9. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorized for issue by the Sole Director on

24 MAR 2017