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新融宇 集團(控股)有限公司
Infinity Financial Group (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The board (the “Board”) of directors (the “Directors”) of Infinity Financial Group (Holdings) Limited (the “Company”) would like to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2017 (the “Annual Results”), together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000
Revenue	3	77,150	61,742
Cost of sales		<u>(70,252)</u>	<u>(50,436)</u>
Gross profit		6,898	11,306
Other operating income	3	8,518	4,585
Gain on disposal of a subsidiary	16	19,674	—
Change in fair value of held-for-trading investment		(3,249)	2,924
Selling and distribution expenses		(609)	(2,611)
Administrative and other expenses		(25,945)	(43,739)
Finance costs	5	<u>(16,123)</u>	<u>(14,836)</u>
Loss before taxation		(10,836)	(42,371)
Income tax expense	6	<u>(72)</u>	<u>(573)</u>
Loss for the year	7	(10,908)	(42,944)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		6,109	(7,189)
Release of revaluation reserve upon disposal of available-for-sale investment		<u>—</u>	<u>(330)</u>
Total other comprehensive income (expense)		<u>6,109</u>	<u>(7,519)</u>
Total comprehensive expense for the year		<u><u>(4,799)</u></u>	<u><u>(50,463)</u></u>
Loss per share (HK cents)	8		
Basic and diluted		<u><u>(1.11)</u></u>	<u><u>(4.37)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		11,182	14,271
Interest in a joint venture		—	—
Finance lease receivables	<i>10</i>	<u>—</u>	<u>34,608</u>
		11,182	<u>48,879</u>
Current assets			
Inventories	<i>11</i>	7,086	—
Trade and other receivables	<i>12</i>	10,412	43,528
Finance lease receivables	<i>10</i>	41,631	27,597
Held-for-trading investment	<i>13</i>	855	4,104
Tax recoverable		669	—
Bank balances and cash		87,308	<u>153,806</u>
		147,961	<u>229,035</u>
Current liabilities			
Other payables		6,751	31,039
Other borrowings	<i>14</i>	50,000	80,000
Convertible bonds		—	58,812
Income tax payables		701	<u>1,925</u>
		57,452	<u>171,776</u>
Net current assets		90,509	<u>57,259</u>
Total assets less current liabilities		101,691	<u>106,138</u>

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000
Non-current liability			
Corporate bonds	15	<u>8,708</u>	<u>8,356</u>
		<u>92,983</u>	<u>97,782</u>
Capital and reserves			
Share capital		4,910	4,910
Reserves		<u>88,073</u>	<u>92,872</u>
		<u>92,983</u>	<u>97,782</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. GENERAL INFORMATION

Infinity Financial Group (Holdings) Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate parent is also Triumph Hope Limited (incorporated in the British Virgin Islands). Its ultimate controlling party is Mr. Chan Chung Shu. The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

A special resolutions set out in the SGM Notice were duly passed by way of poll by the Shareholders at the SGM held on 6 March 2018 to change the English name and Chinese secondary name of the Company from “Infinity Financial Group (Holdings) Limited 新融宇集團(控股)有限公司” to “Momentum Financial Holdings Limited 正乾金融控股有限公司” respectively with effect from the date of entry of the new English name and new Chinese secondary name on the Register of Companies by the Registrar of Companies in Bermuda.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are the provision of finance leasing services and trading of metals and nutritional food products.

The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars as the directors of the Company consider that HK\$ is appropriate presentation currency for the users of the Group’s consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards (“HKASs”), amendments and interpretations (“Int(s)”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle: Amendments to HKFRS 12
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Except as described below, the application of other new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific method to fulfil the new disclosure requirements. However, the amendments indicate that one way is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The application of amendments to HKAS 7 has resulted in additional disclosures on the Group's financing activities, especially a reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities is provided in notes to the consolidated financial statements. On initial application of the amendments, the Group is not required to provide comparative information for preceding periods. Apart from the additional disclosure in notes to the consolidated financial statements, the directors of the Company considered that these amendments have had no impact on the Group's consolidated financial statements.

New and revised HKFRSs issued but not yet effective

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

HKFRS 9 (2014)	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 40	Transfers of Investment Property ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective date not yet been determined.

3. REVENUE AND OTHER OPERATING INCOME

An analysis of the Group's revenue and other operating income for the year is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Sales of metal products	49,789	50,930
Sales of nutritional food products	21,344	—
Finance lease interest income	<u>6,017</u>	<u>10,812</u>
	<u>77,150</u>	<u>61,742</u>
Other operating income		
Bank interest income	467	1,563
Exchange gain, net	5,855	—
Finance lease penalty income	925	2,618
Write back of other payables	1,129	—
Gain on disposal of property, plant and equipment	—	228
Value added tax refund	—	43
Others	<u>142</u>	<u>133</u>
	<u>8,518</u>	<u>4,585</u>
	<u><u>85,668</u></u>	<u><u>66,327</u></u>

4. SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in products and services.

During the year ended 31 December 2017, the Group introduced a new reportable and operating segment — trading of nutritional food products.

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

- (i) Finance leasing engages in finance leasing business (earning interest income and handling fee) and purchasing of leased assets.
- (ii) Trading business — metals products.
- (iii) Trading business — nutritional food products

No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reporting segments of the Group.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2017

	Finance leasing <i>HK\$'000</i>	Trading business — metal products <i>HK\$'000</i>	Trading Business — nutritional food products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>6,017</u>	<u>49,789</u>	<u>21,344</u>	<u>77,150</u>
Segment profit	<u><u>5,175</u></u>	<u><u>491</u></u>	<u><u>341</u></u>	<u>6,007</u>
Unallocated operating income				1,751
Gain on disposal of a subsidiary				19,674
Change in fair value of held-for-trading investment				(3,249)
Unallocated expenses				(18,896)
Finance costs				<u>(16,123)</u>
Loss before taxation				<u><u>(10,836)</u></u>

For the year ended 31 December 2016

	Finance leasing <i>HK\$'000</i>	Trading business — metal products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>10,812</u>	<u>50,930</u>	<u>61,742</u>
Segment (loss) profit	<u><u>(19,626)</u></u>	<u><u>496</u></u>	(19,130)
Unallocated operating income			1,791
Change in fair value of held-for-trading investment			2,924
Unallocated expenses			(13,120)
Finance costs			<u>(14,836)</u>
Loss before taxation			<u><u>(42,371)</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by or the loss from each segment without allocation of gain on disposal of a subsidiary, change in fair value of held-for-trading investment, loss on early redemption of convertible bonds, certain

selling and distribution expenses, central administrative costs, directors' salaries, certain other operating income and finance costs. This is the measure reported to the chief executive officer for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets	2017	2016
	HK\$'000	HK\$'000
Trading business		
— Metal products	—	33,492
— Nutritional food products	12,426	—
Finance leasing	<u>54,647</u>	<u>82,709</u>
Total segment assets	67,073	116,201
Unallocated corporate assets	<u>92,070</u>	<u>161,713</u>
Consolidated assets	<u>159,143</u>	<u>277,914</u>
Segment liabilities	2017	2016
	HK\$'000	HK\$'000
Trading business		
— Nutritional food products	2,062	—
Finance leasing	<u>31</u>	<u>2,062</u>
Total segment liabilities	2,093	2,062
Unallocated corporate liabilities	<u>64,067</u>	<u>178,070</u>
Consolidated liabilities	<u>66,160</u>	<u>180,132</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than bank balances and cash, held-for-trading investment, income tax receivable and other assets for corporate use including certain plant and equipment and other receivables which were managed in a centralised manner.
- all liabilities are allocated to operating segments other than certain other payables, income tax payables, convertible bonds, corporate bonds and other borrowings which were managed in a centralised manner.

5. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest on:		
— other borrowings	11,022	11,117
— obligation under finance lease	—	9
Effective interest expenses on:		
— convertible bonds	4,049	3,008
— corporate bonds	<u>1,052</u>	<u>702</u>
	<u><u>16,123</u></u>	<u><u>14,836</u></u>

6. INCOME TAX EXPENSE

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	56	—
PRC Enterprise Income Tax	<u>16</u>	<u>207</u>
Under-provision in prior years:		
PRC Enterprise Income Tax	<u>—</u>	<u>366</u>
	<u><u>72</u></u>	<u><u>573</u></u>

- (i) Hong Kong Profits Tax was calculated at 16.5% of the estimated profit for the year ended 31 December 2017 (2016: 16.5%). No provision for Hong Kong profits tax was made for the year ended 31 December 2016 as the Group did not have any assessable profits subject to Hong Kong Profits Tax for that year.
- (ii) Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

7. LOSS FOR THE YEAR

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>

Loss for the year has been arrived at after charging (crediting):

Directors' emoluments	3,893	3,974
Salaries and other allowances (excluding directors' and chief executive's emoluments)	3,054	6,670
Retirement benefit scheme contributions (excluding directors' and chief executive's emoluments)	<u>233</u>	<u>961</u>
Total staff costs	<u>7,180</u>	<u>11,605</u>
Auditor's remuneration	760	737
Amount of inventories recognised as expense	70,252	50,436
Depreciation of property, plant and equipment	3,903	4,131
Loss on disposal of property, plant and equipment	437	156
Loss on early redemption of convertible bonds	41	—
Net exchange loss	—	8,568
Impairment loss recognised in respect of other receivables	437	—
Minimum lease payments in respect of operating lease for office premises	<u>5,046</u>	<u>6,300</u>

8. LOSS PER SHARE

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

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>

Loss

Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share

	<u>(10,908)</u>	<u>(42,944)</u>
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	2017	2016
	<i>'000</i>	<i>'000</i>

Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share

	<u>982,000</u>	<u>982,000</u>
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Diluted loss per share was same as the basic loss per share for the years ended 31 December 2017 and 2016 as the computation of diluted loss per share did not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in loss per share.

9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

10. FINANCE LEASE RECEIVABLES

Certain of the vessel and machineries of the Group are leased out under finance leases. All interest rates inherent in the leases are fixed at the contract date over the lease terms.

	Minimum lease payments		Present value of minimum lease payments	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Finance lease receivables comprises:				
Within one year	42,057	29,730	41,631	27,597
After one year but within two years	—	39,107	—	34,608
	<u>42,057</u>	<u>68,837</u>	<u>41,631</u>	<u>62,205</u>
Less: Unearned finance income	<u>(426)</u>	<u>(6,632)</u>	<u>—</u>	<u>—</u>
Present value of minimum lease payment receivables	<u>41,631</u>	<u>62,205</u>	<u>41,631</u>	<u>62,205</u>
Analysed for reporting purposes as:				
Current assets			41,631	27,597
Non-current assets			—	34,608
			<u>41,631</u>	<u>62,205</u>

Effective interest rates of the above finance lease were 13% (2016: range from 13% to 15.56%) per annum.

11. INVENTORIES

	2017 HK\$'000	2016 HK\$'000
Goods-in-transit	<u>7,086</u>	<u>—</u>

12. TRADE AND OTHER RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade receivables	<u>3,323</u>	<u>—</u>
Other receivables	4,565	9,241
Less: allowance for impairment losses	<u>(455)</u>	<u>—</u>
	<u>4,110</u>	<u>9,241</u>
Prepayments	<u>2,979</u>	<u>34,287</u>
	<u>10,412</u>	<u>43,528</u>

The Group generally allows an average credit period of 0–30 days (2016: 0–45 days) to its trade customers. The following is an aged analysis of trade receivables presented based on the date of acknowledgement of receipt of goods by customers, which approximates the respective revenue recognition dates, at the end of the reporting period.

0–30 days	<u>3,323</u>	<u>—</u>
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13. HELD-FOR-TRADING INVESTMENT

Held-for-trading investment comprises:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Equity securities listed in Hong Kong	<u>855</u>	<u>4,104</u>

14. OTHER BORROWINGS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Unsecured:		
Other borrowings payable within one year (<i>Note i</i>)	<u>50,000</u>	<u>80,000</u>

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes:

- (i) As at 31 December 2016, other borrowing of approximately HK\$43,000,000 was raised from a convertible bondholder for the partial redemption of convertible bonds which carried an interest rate at 13% per annum. The convertible bondholder became a shareholder of the Company upon the partial conversion of convertible bonds during the year ended 31 December 2015. The borrowing has been fully repaid during the year ended 31 December 2017.

As at 31 December 2016, other borrowing of approximately HK\$37,000,000 was raised from a subsidiary of a shareholder of the Company for the partial redemption of convertible bonds which carries an interest rate at 13% per annum. The borrowing has been fully repaid during the year ended 31 December 2017.

As at 31 December 2017, other borrowing of approximately HK\$50,000,000 was raised from an independent third party, payable in one year, which carried an interest rate at 10% per annum. The loan will be repaid in accordance with the agreed term and will be fully settled in April 2018.

15. CORPORATE BONDS

During the year ended 31 December 2015, the Group issued an aggregate principal amount of HK\$10,000,000 unlisted corporate bonds bearing an interest rate of 7% per annum, payable annually. The corporate bonds will be repayable on the expiry day of the ninetieth month of the date of issuing the relevant corporate bonds. The effective interest rate of the corporate bonds is 10.2%.

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
At 1 January	9,056	9,054
Imputed interest	1,052	702
Interest paid	<u>(700)</u>	<u>(700)</u>
At 31 December	<u><u>9,408</u></u>	<u><u>9,056</u></u>
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Analysed for reporting purpose as:		
Non-current portion	8,708	8,356
Current portion (included in interest payable under other payables)	<u>700</u>	<u>700</u>
	<u><u>9,408</u></u>	<u><u>9,056</u></u>

16. DISPOSAL OF A SUBSIDIARY

On 16 March 2017, the Group disposed of a subsidiary, Dongguan Feng Zheng Knitting Co., Ltd.* (東莞豐正針織有限公司) (“Dongguan Feng Zheng”), which is inactive, at a cash consideration of RMB43,000,000 (equivalent to approximately HK\$47,859,000). The net assets of Dongguan Feng Zheng at the date of disposal were as follows:

	<i>HK\$'000</i>
Total cash consideration received	<u>47,859</u>
Analysis of assets and liabilities which control was lost:	
Bank balances and cash	47,859
Other payables	(19,137)
Income tax payables	<u>(537)</u>
Net assets disposed of	<u>28,185</u>
Gain on disposal of a subsidiary	<u><u>19,674</u></u>
Net cash outflow arising on disposal:	
Cash consideration received	47,859
Less: Bank balances and cash disposed of	<u>(47,859)</u>
	<u><u>—</u></u>

The disposed subsidiary has no significant impact on the Group's results and cash flows for both years.

17. OPERATING LEASE COMMITMENT

The Group as lessee

The Group leases certain of its offices under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years and rentals are fixed for an average of three years (2016: three years). The Group does not have an option to purchase the leased assets at the expiry of the lease period.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating lease which fall due as follows:

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	4,385	2,279
In the second to fifth years inclusive	<u>3,180</u>	<u>2,578</u>
	<u>7,565</u>	<u>4,857</u>

18. CAPITAL COMMITMENT

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>

Capital expenditure in respect of investment in a joint venture contracted for but not provided in the consolidated financial statements	<u>11,766</u>	<u>10,941</u>
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19. SHARE OPTION SCHEME

Pursuant to the written resolution of the shareholders of the Company on 11 October 2011, the Company has adopted a Share Option Scheme (the “Scheme”) for the purpose of motivating eligible participants to optimise their performance and efficiency for the benefit of the Group. The Board of directors shall be entitled at any time on a business day within 10 years commencing on the effective date of the Scheme to offer the grant of option to any eligible participants.

Eligible participants of the Scheme include (i) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds interest or a subsidiary of such company (“Affiliate”); or (ii) the trustee of any trust the beneficiary of which or discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficiary owned by any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate.

Any grant of options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates representing in aggregate over 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of each grant) in excess of HK\$5,000,000 in such person in any 12-months period up to and including the date of each grant must be approved by the independent non-executive directors, but excluding any independent non-executive director who is a proposed grantee and any further grant of options must be approved by the shareholders of the Company.

No share options are granted since the adoption of the Scheme and during the years ended 31 December 2017 and 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance and Business Review

For the year ended 31 December 2017, the principal businesses of the Group recorded a revenue of approximately HK\$77,150,000, showing an increase of 25.0% in revenue of approximately HK\$61,742,000 from last year. This is due to: for the year ended 31 December 2017, the trading metal products business recorded a revenue of approximately HK\$49,789,000, showing a decrease of 2.2% in revenue of approximately HK\$50,930,000 from last year and; for the year ended 31 December 2017, the new trading nutritional food products business recorded a revenue of approximately HK\$21,344,000, showing 27.7% of the total revenue; for the year ended 31 December 2017, the finance leasing segment recorded a revenue of approximately HK\$6,017,000, showing a decrease of 44.3% in revenue of approximately HK\$10,812,000 from last year.

For the year ended 31 December 2017, the trading metal business segment recorded a segment profit of approximately HK\$491,000, showing a decrease of 1.0% in segment profit of approximately HK\$496,000 from last year. The decrease in the trading metal business segment profit was mainly due to the decrease in revenue on the trading metal business segment for the year ended 31 December 2017 from last year.

The decrease in revenue in trading business segment was mainly attributable to the weakening in market demand for the year ended 31 December 2017 when compared with last year. The revenue in trading business segment for the year ended 31 December 2017 arising from customers who are large private enterprises established in People's Republic of China. In respect of those trading transactions, the Group managed its risk exposure by securing a purchase order from the customer before the Group places a purchase order with the supplier; and with credit terms receiving the sale proceed from customer before settlement to the supplier. As at 31 December 2017, those customers have fully settled all their sale proceed without any outstanding receivable due to the Group. The weakening in market demand may as a result of the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing towards consumption and services. Despite the decrease in revenue for the year ended 31 December 2017, the operation of trading business segment is running smoothly and efficiently for the Group. In view of current booming of capital market and the expected recovery of world economy; the Board is confident that the trading business segment will pick up accordingly.

During the year, the Group engaged in e-commerce operation related to nutritional food products in connection with the Group's trading business. The new segment record a segment profit of approximately HK\$341,000, showing 5.7% of the total segment profit.

The decrease in revenue in finance leasing segment was mainly due to the effect of the monetary policy in China which remained loose for the year ended 31 December 2017. This enable our potential customers to have many other alternatives to satisfy their financial demands. On the other hand, our Group adopts a more cautious and conservative approach so as to strengthening our Group's internal controls on asset and risk management, in order to protect the quality of assets as a whole, by placing more stringent requirement on our finance leasing customers.

For the year ended 31 December 2017, the finance leasing segment recorded a segment profit of approximately HK\$5,175,000, in contrast with segment loss of approximately HK\$19,626,000 from last year. There was an exchange loss of HK\$17,696,000 allocated into the finance leasing segment in last year. This HK\$17,696,000 exchange loss was mainly a result of the fact that RMB had been depreciated approximately 7.0% from 1 January 2016 to 31 December 2016 against US\$ or HK\$. Excluding the effect of exchange loss of HK\$17,696,000, for the year ended 31 December 2016, the finance leasing segment recorded a segment loss of approximately HK\$1,930,000. The segment profit for the year ended 31 December 2017 in the finance leasing was mainly due to the continuous effort of the Group in reducing the overall operating cost of finance leasing segment. The Board is confident that with the concrete plan of the Government of China to maintain the growth of China's GDP, the finance leasing segment will pick up continuously.

On 12 January 2015, the Group has decided to cease the operation of the Group's textile segment due to the worsening of the market situation and business environment of the textile industry. The cessation of operation was completed on 30 September 2015. Textiles segment was classified as discontinued operation. Dongguan Feng Zheng Knitting Co., Ltd* (東莞豐正針織有限公司) is a limited liability company; and an indirect wholly-owned subsidiary of the Company established under the laws of the PRC and has no business operations as a result of cessation of operation of the Group's textile segment.

On 16 March 2017, the Group entered into a Disposal Agreement with the Purchaser, Dongguan DRN Battery Co., Ltd* (東莞市德爾能新能源股份有限公司). Pursuant to the Disposal Agreement, the Group has agreed to sell and the Purchaser has agreed to purchase the Equity Interest, representing 100% of the equity interest in Dongguan Feng Zheng Knitting Co., Ltd, at the Consideration of approximately RMB43.0 million (equivalent to approximately HK\$47.9 million).

For the year ended 31 December 2017, the Group recorded other operating income approximately HK\$8,518,000 (year ended 31 December 2016: approximately HK\$4,585,000). The other operating income resulted from a gain on disposal of Dongguan Feng Zheng Knitting Co., Ltd of approximately HK\$19,674,000. The gain on disposal of Dongguan Feng Zheng Knitting Co., Ltd mainly as a result of the Consideration of approximately RMB43.0 million (equivalent to approximately HK\$47.9 million) of the Disposal Agreement is greater than the unaudited net asset value of Dongguan Feng Zheng Knitting Co., Ltd as at the date of disposal.

Financial Position and Liquidity

As at 31 December 2017, the Group recorded total assets of approximately HK\$159,143,000, which were financed by internal resources of approximately HK\$92,983,000 and liabilities of approximately HK\$66,160,000. The Group had total cash and bank balances of approximately HK\$87,308,000. The current ratio (current assets divided by current liabilities) of the Group increased from 1.3 times as at 31 December 2016 to 2.6 times as at 31 December 2017. As at 31 December 2017, the Group did not have any deposit pledged to secure bank overdrafts, short-term bank loans and unused banking facilities. The Group's operation was mainly financed by funds generated from its operation and borrowings. As at 31 December 2017, the borrowings were mainly denominated in Hong Kong dollars

(“HK\$”), while the cash and cash equivalents held by the Group were mainly denominated in HK\$, Renminbi (“RMB”) and United States dollars (“US\$”). All of the Group’s borrowings are on a fixed rate basis.

Contingent Liabilities

As at 31 December 2017, our Group had no significant contingent liabilities.

Foreign Exchange Exposure

In respect of the finance lease business, the Group’s receipts, payments and operating expenses are all transacted in RMB, in which the Group expects the currency risks would be insignificant.

The Group currently does not have a foreign currency hedging policy. The Group will monitor its foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arises.

Environment Protection and Legal Compliance

The Group is committed to protecting the environment where it operates and ensuring that it complies with the environmental protection standards applicable to the Group and its business operation from time to time.

During the year and to the best of our Directors’ knowledge, the Group had obtained the required permits and environmental approvals for its business, and had complied with such laws, rules and regulations that have a significant impact on the Group, its business and operations.

Please refer to the Environmental, Social and Governance Report contained in the Annual Report for further information on the work done and efforts made by the Company on environmental protection, legal compliance and other aspects for the sustainable growth and development of the business of the Group.

Compliance with Relevant Laws and Regulations

During the year, as far as the Group is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

Employee and Remuneration Policy

As at 31 December 2017, the Group has a workforce of approximately 12 employees in Hong Kong and the PRC, including four executive Directors, and three independent non-executive Directors.

Remuneration policies of the Group are determined with reference to performance, qualification and experience of the staff as well as the operating results of the Group and the current market condition with salaries and wages being reviewed on an annual basis. The Group also provides discretionary

bonus, medical insurance, social security and provident fund to the staff of the Group. Pursuant to the written resolution of the Shareholders on 11 October 2011, the Group has adopted a share option scheme (the “Scheme”) for the purpose of motivating eligible participants. For the year ended 31 December 2017, no share options were granted by the Group since the adoption of the Scheme.

Future Plans for Material Investments and Capital Assets

The Group is in the formation of a joint venture to initially focus on providing online financial credit information and trading platform, and will also develop the financial technology which utilizes a series of innovative technologies including big data, cloud computing and artificial intelligence, and will target to engage in businesses including online payment, online finance leasing, intelligent financial management services and block chain technology, subject to be engaged only after obtaining the relevant registration and approvals.

Except for investment in joint venture, the Group do not have any plans for material investments and capital assets.

Significant Investment Held

Except for investment in subsidiaries, the Group did not hold significant investment for the year ended 31 December 2017.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

Except for the disposal of its subsidiary, Dongguan Feng Zheng Knitting Co., Ltd, the Group did not have any material acquisition and disposals of subsidiaries and affiliated companies for the year ended 31 December 2017.

Relationships with Stakeholders

The Group recognizes that employees are our valuable assets. Thus our Group provides competitive remuneration package to attract and motivate the employees. Our Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

Our Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the year, there was no material and significant dispute between our Group and its business partners or bank enterprises.

Key Risks and Uncertainties

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

Market Risks

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices, like foreign exchange rates, interest rates and equity prices. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Foreign Exchange Rates Risk

As our Group's assets and liabilities were mainly denominated in Hong Kong Dollars, U.S. Dollars and RMB, in view of the potential RMB exchange rate fluctuations, our Group will continue to closely monitor the exposure and take any actions when appropriate.

Interest Rate Risk

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Liquidity Risk

Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels.

Key functions in our Group are guided by their standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Investment Risk

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process.

Proper authorization system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

Manpower and Retention Risk

Our Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of our Group. Our Group will provide attractive remuneration package to suitable candidates and personnel.

OUTLOOK

Global Economy

Economic policies implemented by the United States President Donald Trump, Brexit, terrorism in Europe, geopolitical tensions in the Middle East and nuclear threats in North Asia. Those issues may invoke a lot of fundamental uncertainty in near-term outlook, especially in the area of expectation to economic growth and also Federal Reserve policy. A faster pace of interest rate normalization was expected by the market. All of this has to do with increased optimism that there will be some fiscal stimulus in the near term and some type of deregulation, both of which will underpin growth. Looking forward, as a result of global markets faced a wave of volatility, the market expect the investment environment in the US and other advance economies will not be as stable as before. The US monetary and fiscal policies may have a dramatic change. Accelerating interest rate normalization may affect global investment atmosphere. In connection with the US foreign policy, Mr. Donald Trump may focus on the threat posted to the US by its trade relations with China. US already imposed tariffs on various commodity products and this may result in a new wave of global trade wars.

China Economy

Changes in economy in China is expected in response to a number of factors, including but not limited to the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing towards consumption and services, the monetary policy in China, although remain loose for the year ended 31 December 2017. The uncertainty in the coming PRC import and export environment, in part may converting into weaker investment and manufacturing activities, together with the general concern on over blooming of property market in China, arouse the market concerns about the future performance of the Chinese economy. However, favorable factors such as PRC implements the decision of the 19th CPC National Congress and builds a moderately prosperous society in all

aspects in 2018 have positive effect on the economy. With the introduction and emphasis of relevant national development strategies such as the “Development of Guangdong-Hong Kong-Macau Big Bay Area” and the “Belt and Road Initiative”, the market expects that China will accelerate its overseas investments and further expand its trading networks with Asian countries for the coming 2018.

Financial Services Industry

China’s financial services industry had experienced relative rapid growth in past years. Looking forward to the near future, the market expects that the growth of financial services industry will not slow down as the Government of China have concrete plan to maintain the growth of China’s GDP.

Trading Business — Metal Products

China’s GDP had experienced relative rapid growth in past years and is mainly stimulated by various infrastructure and property development projects in numerous cities in China. Looking forward to the near future, the market expects that the consumption of various commodities will not slow down, because it is believed that tackle economic downturn, the Chinese government will be using the construction of various infrastructure to enhance the economic growth.

Trading Business — Nutritional Food Products

China is one of the largest and most innovative retail e-commerce market in the world. According to a research performed by a renowned investment banker, China’s online retailing is expected to grow from 16% of total retail sales in 2017 to 25% by 2020. China’s online retail market will be US\$1.7 trillion by 2020, more than twice the size it is today.

Company Tactics

Although it is anticipated that the global and the China economies are facing challenges and uncertainties in 2017, however, in light of the various supporting strategies of the Government of China with the China economy and also the positive stimulating effect of Development of Guangdong-Hong Kong-Macau Big Bay Area, Belt and Road Initiative; and PRC implements the decision of the 19th CPC National Congress and builds a moderately prosperous society in all aspects starting from 2018, the management of the Group is confident that the financial services industry and trading business sectors will continue to be prosperous with reasonable growth yearly.

To cope with those future challenges and uncertainties in 2018, the Group will continue to provide professional financial services to our esteem customers, to assist them to innovate their system, to strengthen their production capacity and enhance their corporate development, to develop innovative financial services in different industries; whereas the Group will play a more cautious and conservative role on strengthening the Group’s internal controls on asset and risk management, in order to protect the quality of assets as a whole; finally the Group will match our strengths with market demand, capture the right growth opportunities while guarding the Group against economic headwinds.

China's online retail market will have a forecast compound annual growth rate in double digits. China's online retail market is being propelled by expansion of online categories and facilitated by the nationwide same or next-day delivery infrastructure build-out; and further online penetration of existing categories into lower-tier cities and rural areas; and further growth in the number of online shoppers.

In view of the potential of China's online retail market, the Group will continue to explore potential business opportunities in this area, in particular, business opportunities in connection with the Group's trading business. As a result, further development of the Group's trading business into e-commerce and Omni channel capacities is scheduled by the Group as an important growth direction in 2018.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company had complied throughout the year ended 31 December 2017 with the code provisions set out in the Code on Corporate Governance Practices (the "Corporate Governance Code") contained in Appendix 14 of the Listing Rules, except in relation to the followings:

Pursuant to Rule 3.10(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), every board of directors of a listed issuer must include at least three independent non-executive directors. The audit committee of a listed issuer must comprise a minimum of three members under Rule 3.21 of the Listing Rules. Upon the resignation of Mr. Chan Yee, Herman with effect from 15 June 2017 as non-executive Director and Mr. Wang Wei Hung Andrew with effect from 15 June 2017 as independent non-executive Director, the Board comprises six members with four executive Directors and two independent non-executive Directors. As a result, the number of independent non-executive Directors of the Board has been reduced to two which is below the minimum number prescribed under Rule 3.10(1) of the Listing Rules. The number of members of the audit committee of the Company has been reduced to two which is below the minimum number prescribed under Rule 3.21 of the Listing Rules. The number of members of the nomination committee of the Company has been reduced to two and the Company does not meet the composition requirement of the nomination committee under code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules and is below minimum number prescribed under the relevant terms of references of the Company for the period 15 June 2017 to 15 September 2017.

In order to comply with Rule 3.10(1), Rule 3.21 and code provision A.5.1 of the Corporate Governance Code of the Listing Rules, the Company had appointed Mr. Zhang Hua to fill up the abovementioned vacancies on 15 September 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2017.

AUDIT COMMITTEE

The Company established audit committee of the Company (the “Audit Committee”) on 11 October 2011 which is primarily responsible for overseeing the relationship between the Company and its external auditor in relation to the matters coming within the scope of the Group’s audit; reviewing the Group’s financial reporting process, adequacy and effectiveness of the Group’s internal control system and risk management system. The terms of reference of the Audit Committee which describe the authorities and duties of the Audit Committee were prepared and adopted with reference to “A Guide for the Formation of an Audit Committee” published by the HKICPA and were posted on the Company’s website.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ho Man, Mr. Yeh Tung Ming and Mr. Zhang Hua; and is chaired by Mr. Ho Man.

During the year ended 31 December 2017, the Audit Committee had held 3 meetings and the Audit Committee reviewed the interim and annual results, and the interim and annual reports; met with external auditor to ensure appropriate accounting principles and practices adopted by the Group; and assisted the Board in meeting its responsibilities for maintaining an effective system of internal control.

ANNUAL REPORT AND FURTHER INFORMATION

This result announcement is published on the website of the Company (www.1152.com.hk) and the website of the Stock Exchange (www.hkex.com.hk). The annual report of the Group for the year ended 31 December 2017 containing all information required by Appendix 16 of the Listing Rules will be despatched to the Shareholders as well as available on the same websites in due course.

By Order of the Board
Infinity Financial Group (Holdings) Limited
Chan Chung Shu
Chairman

Hong Kong, 23 March 2018

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Chan Chung Shu (Chairman) and Mr. Ng Hoi, and three independent non-executive Directors, namely, Mr. Ho Man, Mr. Yeh Tung Ming and Mr. Zhang Hua.

** English translation for identification purposes only*