GLOBAL TOKEN LIMITED
環球通証有限公司

(continued in Bermuda with limited liability)

(Stock Code: 8192)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Global Token Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.8192.com.hk from the date of this announcement.

FINAL RESULTS

The board of directors (the "Board") of Global Token Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018, together with the comparative figures for the year ended 31 December 2017 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	4	**180,827**	193,460
Cost of sales		**(164,764)**	(177,754)
Gross profit		**16,063**	15,706
Other revenue	4	**138**	17
Other gains and losses	5	**(3,461)**	(1,082)
Impairment loss on cryptocurrencies		**(54,545)**	–
Impairment loss on intangible asset		**–**	(30,866)
Impairment loss on goodwill		**(2,365)**	–
Loss on disposal of subsidiaries		**(22,791)**	–
Selling and distribution expenses		**(2,447)**	(1,666)
Administrative and other operating expenses		**(85,117)**	(38,946)
Loss from operations		**(154,525)**	(56,837)
Finance costs	7	**–**	(797)
Loss before taxation	8	**(154,525)**	(57,634)
Taxation	9	**(92)**	–
Loss for the year		**(154,617)**	(57,634)
Other comprehensive (loss)/income for the year, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(8,004)**	13,883
Reclassification adjustments relating to foreign operations disposed of during the year		**172**	–

	Note	2018 HK$'000	2017 HK$'000
Other comprehensive (loss)/income for the year, net of income tax		**(7,832)**	13,883
Total comprehensive loss for the year		**(162,449)**	(43,751)
Loss for the year attributable to			
Owners of the Company		**(139,188)**	(51,192)
Non-controlling interests		**(15,429)**	(6,442)
		(154,617)	(57,634)
Total comprehensive loss for the year attributable to			
Owners of the Company		**(143,746)**	(43,293)
Non-controlling interests		**(18,703)**	(458)
		(162,449)	(43,751)
Loss per share attributable to owners of the Company for the year			
Basic and diluted (HK$ cents)	10	**(13.43)**	(5.55)

Consolidated Statement of Financial Position
As at 31 December 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Assets and liabilities			
Non-current assets			
Property, plant and equipment		**21,397**	37,992
Intangible asset		**–**	73,646
Goodwill		**8,574**	10,939
Other assets		**400**	400
Cryptocurrencies		**32,858**	–
		63,229	122,977
Current assets			
Trade receivables	12	**83,344**	84,806
Other receivables, deposits and prepayments		**9,973**	19,895
Loans receivable	13	**11,937**	40,374
Amounts due from related companies		**5,640**	5,162
Client trust bank balances		**2,160**	1,925
Cash and cash equivalents		**48,982**	104,902
		162,036	257,064
Current liabilities			
Trade payables	14	**10,377**	12,988
Accruals, deposits received and other payables		**8,841**	7,969
Amounts due to related parties		**296**	1,526
Tax payable		**92**	–
		19,606	22,483
Net current assets		**142,430**	234,581
Total assets less current liabilities		**205,659**	357,558
Net assets		**205,659**	357,558

	2018	2017
	HK$'000	*HK$'000*
Equity		
Share capital	**41,455**	41,455
Reserves	**190,848**	324,044
Total equity attributable to owners of the Company	**232,303**	365,499
Non-controlling interests	**(26,644)**	(7,941)
Total equity	**205,659**	357,558

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

	Attributable to owners of the Company										
	Share capital	Capital reserve (note (i))	Share premium	Special reserve (note (ii))	Statutory reserve (note (iii))	Share-based payment reserve (note (iv))	Exchange reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$' 000*	*HK$' 000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2017	23,031	1,030	514,940	11	324	34,875	(16,461)	(286,580)	271,170	(7,483)	263,687
Placing of new shares	4,606	–	33,279	–	–	–	–	–	37,885	–	37,885
Transaction costs relating to placing of new shares	–	–	(77)	–	–	–	–	–	(77)	–	(77)
Rights issue	13,818	–	89,820	–	–	–	–	–	103,638	–	103,638
Transaction costs relating to rights issue	–	–	(3,824)	–	–	–	–	–	(3,824)	–	(3,824)
Lapse of share options	–	–	–	–	–	(30,827)	–	30,827	–	–	–
Transaction with owners	18,424	–	119,198	–	–	(30,827)	–	30,827	137,622	–	137,622
Net loss for the year	–	–	–	–	–	–	–	(51,192)	(51,192)	(6,442)	(57,634)
Other comprehensive income/(loss) net of income tax:											
Exchange differences on translating foreign operations	–	–	–	–	–	–	7,899	–	7,899	5,984	13,883
Total comprehensive income/(loss) for the year	–	–	–	–	–	–	7,899	(51,192)	(43,293)	(458)	(43,751)
At 31 December 2017	**41,455**	**1,030***	**634,138***	**11***	**324***	**4,048***	**(8,562)***	**(306,945)***	**365,499**	**(7,941)**	**357,558**
Impact on initial application of HKFRS 9	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,537)**	**(1,537)**	**–**	**(1,537)**
Restated balance at 1 January 2018	**41,455**	**1,030**	**634,138**	**11**	**324**	**4,048**	**(8,562)**	**(308,482)**	**363,962**	**(7,941)**	**356,021**
Issue of share options	**–**	**–**	**–**	**–**	**–**	**12,087**	**–**	**–**	**12,087**	**–**	**12,087**
Lapse of share options	**–**	**–**	**–**	**–**	**–**	**(2,709)**	**–**	**2,709**	**–**	**–**	**–**
Transaction with owners	**–**	**–**	**–**	**–**	**–**	**9,378**	**–**	**2,709**	**12,087**	**–**	**12,087**
Net loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(139,188)**	**(139,188)**	**(15,429)**	**(154,617)**
Other comprehensive loss net of income tax:											
Exchange differences on translating foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**(4,558)**	**–**	**(4,558)**	**(3,274)**	**(7,832)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(4,558)**	**(139,188)**	**(143,746)**	**(18,703)**	**(162,449)**
At 31 December 2018	**41,455**	**1,030***	**634,138***	**11***	**324***	**13,426***	**(13,120)***	**(444,961)***	**232,303**	**(26,644)**	**205,659**

* The aggregated amount of these balances of approximately HK$190,848,000 (2017: approximately HK$324,044,000) in surplus is included as reserves in the consolidated statement of financial position.

Notes:

(i) The capital reserve of the Group represents a capital contribution by a shareholder company during the year ended 31 December 2007.

(ii) The special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the amount of the share capital of a subsidiary acquired pursuant to a group reorganisation in 2002.

(iii) Subsidiary of the Company establish in the PRC shall appropriate 10% of its annual statutory net profit (after offsetting any prior year losses) to the statutory reserve fund account in accordance with the PRC Company law. When the balance of such reserve fund reaches 50% of the entity's share capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior year's losses or to increase capital after proper approval.

(iv) Share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each period is determined by spreading the fair value of the share options over the relevant vesting period (if any) and is recognised in other operating expenses with a corresponding increase in the share-based payment reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. GENERAL INFORMATION

Global Token Limited is a limited liability company incorporated in the Cayman Islands and continued in Bermuda. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is Room 3008–10, 30th Floor, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Exchange").

The Company is an investment holding company and its subsidiaries are principally engaged in (i) rental of energy-saving air-conditioners, (ii) trading business, (iii) money lending business, (iv) securities trading business and (v) blockchain technology related business.

The consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

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

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
HKAS 28 (Amendments)	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
HKAS 40 (Amendments)	Transfers of Investment Property
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

Except as described below, the application of the new and amendments to 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 the consolidated financial statements.

(a) **Impact on the consolidated financial statements**

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the application of new HKFRSs have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Consolidated statement of financial position (extract)	**At 31 December 2017** *HK$'000*	**HKFRS 9** *HK$'000*	**At 1 January 2018** *HK$'000*
Current assets			
Trade receivables	84,806	(425)	84,381
Other receivables, deposits and prepayments	19,895	(291)	19,604
Loans receivable	40,374	(529)	39,845
Amounts due from related companies	5,162	(292)	4,870
Net current assets	234,581	(1,537)	233,044
Total assets less current liabilities	357,558	(1,537)	356,021
Net assets	357,558	(1,537)	356,021
Equity			
Reserves	324,044	(1,537)	322,507
Total equity	357,558	(1,537)	356,021

(b) HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Accounting policies resulting from application of HKFRS 9 disclosed in Note 3 to the consolidated financial statements.

Summary of effects arising from initial application of HKFRS 9

Below illustrates the classification and measurement (including impairment) of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

(i) Classification and measurement

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVTOCI") and at fair value through profit or loss ("FVTPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial assets is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

– Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

– FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

– FVTPL, if the investment does not meet the criteria for being measured at amortise cost or FVTOCI (recycling). Changes in the fair value of the investment (including) interest are recognised in profit or loss.

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI (non-recycling), are recognised in profit or loss as other income.

Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

There is no reclassification or remeasurement of the financial assets, including cash and cash equivalents, trade receivables, other receivables and deposits for the adoption of HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

(ii) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Except for those which had been determined as credit impaired under HKAS 39, the remaining balances are grouped based on internal credit rating and/or past due analysis. The Group has therefore estimated the expected loss rates for the trade receivables on the same basis.

Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including other receivables and deposits and amounts due from related companies are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

ECL for part of the loans receivable at amortised cost are assessed on 12m ECL basis as there had been no significant increase in credit risk since initial recognition, while the remaining are assessed on lifetime ECL basis.

Client trust bank balances and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

All loss allowances including trade receivables and other financial assets at amortised cost as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

	Trade receivables *HK$'000*	**Other receivables and deposits** *HK$'000*	**Loans receivable** *HK$'000*	**Amounts due from related companies** *HK$'000*	**Total** *HK$'000*
At 31 December 2017 – HKAS 39	–	2,389	–	–	2,389
Amounts re-measured through opening retained earnings	425	291	529	292	1,537
At 1 January 2018 – HKFRS 9 (restated)	425	2,680	529	292	3,926

The impact of these changes on the group's equity is as follows:

	Accumulated losses *HK$'000*
At 31 December 2017 – HKAS 39	(306,945)
Impairment under ECL model	(1,537)
At 1 January 2018 – HKFRS 9 (restated)	(308,482)

(c) HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue mainly from following major sources which arise from contracts with customers:

(i) Revenue from trading of electronic products

(ii) Brokerage and commission income from securities dealing

(iii) Commission and service income from cryptocurrencies trading platform business

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in Note 3 to the consolidated financial statements.

As a result of the changes in the Group's accounting policies, as explained above, HKFRS 15 was generally adopted without restating any other comparative information. The adoption of HKFRS 15 in the current period does not result in any significant impact on the amounts reported in the consolidated financial information and/or disclosures set out in the consolidated financial information except that, the Group has adopted the following accounting policies on revenues with effect from 1 January 2018 as stated in notes to the consolidated financial statements.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

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

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules and the Hong Kong Companies Ordinance.

4. REVENUE

Revenue arised from sale of electronic products, interest income from provision of money lending business, brokerage and commission income from provision of securities trading services, net realised gains from OTC, commission and service income and blockchain solution service income from blockchain technology related business. Revenue and other revenue recognised during the year are as following:

Disaggregation of revenue from contracts with customers

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	2018 ***HK$'000***	2017 *HK$'000*
Timing of revenue recognition		
Revenue recognised at a point in time		
Revenue from sale of electronic products	**163,951**	182,465
Brokerage and commission income from securities trading business	**2,896**	3,001
Blockchain technology related business:		
– Commission and service income from trading platform	**6,123**	–
– Blockchain solution service income	**210**	–
– Realised gains from OTC trading, net	**1,132**	–
Revenue from contracts with customers	**174,312**	185,466
Revenue from other source		
Interest income from money lending business	**3,136**	3,196
Rental income of air-conditioners	**3,379**	4,798
	180,827	193,460

	2018	2017
	HK$'000	*HK$'000*
Other revenue		
Interest income	**5**	14
Sundry income	**133**	3
	138	17

5. OTHER GAINS AND LOSSES

	2018	2017
	HK$'000	*HK$'000*
Net gain on financial assets at fair value through profit or loss		
– Realised gain on financial assets at fair value through profit or loss	**–**	3,148
Loss on disposal of cryptocurrencies	**(65)**	–
Exchange gain/(loss), net	**9**	(8)
Impairment loss on other assets	**–**	(577)
Loss allowance on financial assets at amortised cost	**(4,652)**	(3,645)
Reversal of loss allowance on financial assets at amortised cost	**1,247**	–
	(3,461)	(1,082)

6. SEGMENT INFORMATION

Information reported to executive Directors and 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 types of goods or services delivered or provided. The Group's reportable segments under HKFRS 8 are as follows:

- Rental of energy-saving air-conditioners ("Rental of air-conditioners")
- Trading business
- Operations of the Carbon Emission Trading Platform ("CETP") and related services ("Operations of the CETP")
- Money lending business
- Securities trading business
- Blockchain technology related business (new segment during the current year)

Segment revenue and results

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

For the year ended 31 December 2018

	Rental of air-conditioners *HK$'000*	**Trading business** *HK$'000*	**Operations of the CETP** *HK$'000*	**Money lending business** *HK$'000*	**Securities trading business** *HK$'000*	**Blockchain technology related business** *HK$'000*	**Total** *HK$'000*
Segment revenue	**3,379**	**163,951**	**–**	**3,136**	**2,896**	**7,465**	**180,827**
Segment results	**(17,336)**	**2,577**	**(1,300)**	**2,409**	**(4,277)**	**(22,027)**	**(39,954)**
Other revenue							**138**
Exchange gain, net							**9**
Loss on disposal of cryptocurrencies	**–**	**–**	**–**	**–**	**–**	**(65)**	**(65)**
Impairment loss on cryptocurrencies	**–**	**–**	**–**	**–**	**–**	**(54,545)**	**(54,545)**
Loss on disposal of subsidiaries							**(22,791)**
Central administrative costs							**(37,317)**
Loss before taxation							**(154,525)**

For the year ended 31 December 2017

	Rental of air-conditioners *HK$'000*	Trading business *HK$'000*	Operations of the CETP *HK$'000*	Money lending business *HK$'000*	Securities trading business *HK$'000*	Total *HK$'000*
Segment revenue	4,798	182,465	–	3,196	3,001	193,460
Segment results	(12,135)	5,581	(33,515)	1,582	(4,394)	(42,881)
Other revenue						17
Other gains and losses						(8)
Net gain on financial assets at fair value through profit or loss						3,148
Central administrative costs						(17,113)
Finance costs						(797)
Loss before taxation						(57,634)

All of the segment revenue reported above is generated from external customers.

The accounting policies of the operating segments are the same as the Group's accounting polices described in Note 3 to the consolidated financial statements. Segment results represent the profit or loss recorded by each segment without allocation of other revenue, other gains and losses (excluding impairment loss on other assets, loss allowance on financial assets at amortised cost and reversal of loss allowance on financial assets at amortised cost), loss on disposal of cryptocurrencies, impairment loss on cryptocurrencies, loss on disposal of subsidiaries and central administrative costs including directors' remuneration and taxation. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

For the year ended 31 December 2018

	Rental of air-conditioners *HK$'000*	**Trading business** *HK$'000*	**Operations of the CETP** *HK$'000*	**Money lending business** *HK$'000*	**Securities trading business** *HK$'000*	**Blockchain technology related business** *HK$'000*	**Total** *HK$'000*
Segment assets	**24,854**	**81,692**	**574**	**29,835**	**25,788**	**50,630**	**213,373**
Unallocated assets							**11,892**
Total assets							**225,265**
Segment liabilities	**9,073**	**80**	**101**	**274**	**5,475**	**3,594**	**18,597**
Unallocated liabilities							**1,009**
Total liabilities							**19,606**

For the year ended 31 December 2017

	Rental of air-conditioners *HK$'000*	Trading business *HK$'000*	Operations of the CETP *HK$'000*	Money lending business *HK$'000*	Securities trading business *HK$'000*	Total *HK$'000*
Segment assets	49,510	83,831	78,791	58,693	32,847	303,672
Unallocated assets						76,369
Total assets						380,041
Segment liabilities	11,968	205	187	140	8,134	20,634
Unallocated liabilities						1,849
Total liabilities						22,483

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

– all assets are allocated to reportable segments other than assets held by the Company and its subsidiaries which the roles are investment holding companies; and

– all liabilities are allocated to reportable segments other than liabilities held by the Company and its subsidiaries which the roles are investment holding companies.

Other segment information

For the year ended 31 December 2018

	Rental of air-conditioners *HK$'000*	**Trading business** *HK$'000*	**Operations of the CETP** *HK$'000*	**Money lending business** *HK$'000*	**Securities trading business** *HK$'000*	**Blockchain technology related business** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK'000*
Capital expenditure	**–**	**–**	**–**	**–**	**24**	**2,293**	**37**	**2,354**
Depreciation of property, plant and equipment	**8,524**	**1,718**	**316**	**143**	**74**	**354**	**1,060**	**12,189**
Impairment loss on property, plant and equipment	**4,002**	**–**	**–**	**–**	**–**	**–**	**–**	**4,002**
Impairment loss on goodwill	**–**	**–**	**–**	**–**	**2,365**	**–**	**–**	**2,365**
Impairment loss on cryptocurrencies	**–**	**–**	**–**	**–**	**–**	**54,545**	**–**	**54,545**
Loss on disposal of cryptocurrencies	**–**	**–**	**–**	**–**	**–**	**65**	**–**	**65**
Loss allowance on financial assets at amortised cost	**3,650**	**553**	**–**	**32**	**21**	**371**	**25**	**4,652**
Reversal of loss allowance on financial assets at amortised cost	**(2)**	**(393)**	**–**	**(527)**	**(32)**	**(292)**	**(1)**	**(1,247)**

For the year ended 31 December 2017

	Rental of air-conditioners *HK$'000*	Trading business *HK$'000*	Operations of the CETP *HK$'000*	Money lending business *HK$'000*	Securities trading business *HK$'000*	Unallocated *HK$'000*	Total *HK'000*
Capital expenditure	–	148	–	–	193	46	387
Depreciation of property, plant and equipment	7,846	1,669	399	252	68	1,131	11,365
Impairment loss on intangible asset	–	–	30,866	–	–	–	30,866
Net gain on financial assets at fair value through profit or loss	–	–	–	–	–	3,148	3,148
Impairment loss on other assets	–	577	–	–	–	–	577
Impairment loss on other receivables, deposits and prepayments	3,645	–	–	–	–	–	3,645

Revenue from major operations

The Group's revenue from its major operations is set out in Note 4.

Geographical information

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Geographical market				
PRC	**167,330**	187,263	**18,725**	34,989
Hong Kong	**13,497**	6,197	**44,504**	87,988
Total	**180,827**	193,460	**63,229**	122,977

The geographical location of customers is based on the location at which the services were rendered or the goods were delivered. The geographical location of the non-current assets is based on the physical location of the assets.

Information about major customers

For the year ended 31 December 2018, approximately HK$134,578,000 or 74.4% (2017: approximately HK$182,465,000 or 94.3%) of the Group's revenue generated from three customers (the trading business segment) (2017: two customers (the trading business segment)). Each customer has individually accounted for over 10% of the Group's total revenue.

Revenue from major customers, each of them amounted to 10% or more of the Group's revenue, are set out below:

	2018	2017
	HK$'000	*HK$'000*
Customer A	**70,333**	*–
Customer B	**24,876**	*–
Customer C	**39,369**	90,525
Customer D	***–**	91,940

* Revenue generated from the customer did not contributed 10% or more of the Group's revenue in the corresponding year.

7. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on other borrowings		
– secured and wholly repayable within one year	**–**	320
– unsecured and wholly repayable within one year	**–**	465
Interest expenses on obligation under finance lease	**–**	12
	–	797

8. LOSS BEFORE TAXATION

	2018	2017
	HK$'000	*HK$'000*
Loss before taxation is arrived at after charging/(crediting):		
Auditors' remuneration		
– Audit services	**780**	680
– Non-audit services	**30**	271
Depreciation		
– Owned property, plant and equipment	**12,189**	11,256
– Leased property, plant and equipment	**–**	109
Cost of inventories recognised as an expense	**156,349**	170,054
Operating lease rentals in respect of rented premises	**4,664**	4,597
Loss on disposal of property, plant and equipment	**636**	25
Impairment loss on property, plant and equipment	**4,002**	–
Impairment loss on goodwill	**2,365**	–
Loss on disposal of cryptocurrencies	**65**	–
Impairment loss on cryptocurrencies	**54,545**	–
Impairment loss on intangible asset	**–**	30,866
Impairment loss on other assets	**–**	577
License fee for cryptocurrencies trading platform	**9,360**	604
Equity-settled share-based payments	**12,087**	–
Employee benefit expenses (excluding directors' remuneration)		
– Salaries allowances and benefits in kind	**30,200**	14,231
– Contributions to retirement benefits scheme	**2,044**	603

9. TAXATION

	2018	2017
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**92**	–

The Company is not subject to taxes in profits, income or dividends in Bermuda.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 December 2017.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 millions of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2 millions will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the year ended 31 December 2018.

Accordingly, starting from the current year, the Hong Kong Profits Tax is calculated at 8.25% on the first HK$2 millions of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 millions.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

10. LOSS PER SHARE

	2018	2017
Loss for the year attributable to the owners of the Company (HK$)	**(139,188,000)**	(51,192,000)
Weighted average number of ordinary shares in issue *(note)*	**1,036,379,025**	923,041,120
Basic and diluted loss per share (HK cents)	**(13.43)**	(5.55)

Note:

Basic loss per share is calculated by dividing the loss for the year attributable to the owners of the Company over the weighted average number of ordinary shares in issue during the year.

The weighted average number of ordinary shares for the year ended 31 December 2018 are 1,036,379,025 ordinary shares (2017: 923,041,120 ordinary shares) in issue during the year.

The basic and diluted loss per share for the years ended 31 December 2018 and 2017 are the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the year was anti-dilutive.

11. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2018 (2017: Nil).

12. TRADE RECEIVABLES

	2018 *HK$'000*	2017 *HK$'000*
Trade receivables from securities trading business		
– Cash clients	**1,838**	3,414
– Margin clients	**–**	53
– Clearing house	**1,313**	2,881
	3,151	6,348
Trade receivables	**80,754**	78,458
	83,905	84,806
Less: Allowance for expected credit losses	**(561)**	–
	83,344	84,806

The directors consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The settlement term of trade receivables arising from securities trading business is 2 trading days after trade date. No ageing analysis for securities trading business is disclosed as, in the opinion of the directors of the Company, the ageing analysis for securities trading business does not give additional value in view of its business nature.

For the year ended 31 December 2018, the Group allows a credit period with average range from 30 to 180 days (2017: 30 to 180 days) to its trade customers of its trading business.

The ageing analysis of trade receivables from other than securities trading business (net of provision for ECL) at the end of the reporting period based on the invoice date and net of allowance for expected credit losses:

	2018 *HK$'000*	2017 *HK$'000*
0 – 90 days	**80,214**	43,458
91 – 180 days	**–**	35,000
	80,214	78,458

Loss allowance of approximately HK$583,000 have been recognised for trade receivables during the year ended 31 December 2018 (At 1 January 2018: approximately HK$425,000).

As at 31 December 2018 and 2017, no trade receivables was past due but not impaired. All trade receivables that are neither past due nor impaired have the best credit scoring attributable under the internal credit rating system used by the Group. Accordingly, these balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.

13. LOANS RECEIVABLE

	2018	2017
	HK$'000	*HK$'000*
Loans receivable	**10,000**	39,000
Interest receivables	**1,971**	1,374
	11,971	40,374
Less: Allowance for expected credit losses	**(34)**	–
	11,937	40,374

The maturity profile of the loans receivable at the end of the reporting period, analysed by the maturity date, is as follow:

	2018	2017
	HK$'000	*HK$'000*
Loans receivable:		
Within 1 year	**11,937**	40,374

The Group's loans receivable, which arise from the money lending business in Hong Kong, are denominated in Hong Kong dollars.

The loans receivable are mainly unsecured, interest bearing and are receivable with fixed terms agreed with customers. As at 31 December 2018, a loan receivable with principal amount of approximately HK$10,000,000 is secured by collaterals, interest bearing and is receivable with fixed term agreed with customer. They are neither past due nor impaired. The maximum exposure to credit risk at the end of period is the carrying value of the loans receivable.

Loans receivable are interest-bearing at rates of range from 9% to 15% (2017: 9.0% to 31.8%) per annum. Loans receivable include the interest receivables of approximately HK$1,971,000 (2017: approximately HK$1,374,000) which receivable on the date of repayment. During the year ended 31 December 2018, interest income of approximately HK$3,136,000 (2017: approximately HK$3,196,000) has been recognised in the consolidated statement of profit or loss and other comprehensive income.

Loss allowance of approximately HK$32,000 have been recognised for loans receivable during the year ended 31 December 2018 (At 1 January 2018: approximately HK$529,000).

14. TRADE PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables from securities trading business		
– Cash clients	**3,456**	4,787
– Clearing house	**1,855**	2,913
	5,311	7,700
Trade payables	**5,066**	5,288
	10,377	12,988

For securities trading business, the settlement terms of trade payables to Cash clients and Clearing house is 2 trading days after trade date. No ageing analysis for securities trading business is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of its business nature.

The Group was granted by its trade suppliers for credit periods ranging from 30 to 180 days. Based on the invoice dates, the ageing analysis of the trade payables from other than securities trading business were as follows:

	2018	2017
	HK$'000	*HK$'000*
0 – 90 days	**52**	–
91 – 180 days	**–**	–
181 – 365 days	**–**	96
Over 365 days	**5,014**	5,192
	5,066	5,288

EXTRACT OF THE AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's annual financial statements for the year ended 31 December 2018:

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated 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 disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

As disclosed in Note 6 to the consolidated financial statements, the revenue of the Group for the year ended 31 December 2018 includes commission and service income from provision of Blockchain technology related business in relation to cryptocurrencies trading platform of approximately HK$6,123,000. We were unable to obtain sufficient appropriate audit evidence regarding the validity and occurrence of the commission and service income because we were unable to carry out effective confirmation procedures in relation to the above revenue for the purpose of our audit and there was inadequate documentary evidence available for us to satisfy ourselves about the occurrence of the transactions which gave rise to these commission and service income. There was no satisfactory alternative audit procedures that we could perform to satisfy ourselves as to whether the above sales revenue and related elements in the consolidated financial statements were free from material misstatement and whether the activities of the Group from provision of Blockchain technology related business in relation to cryptocurrencies trading platform had given rise to actual or contingent liabilities which have not been recorded or recognised by the Group in the consolidated financial statements. Any adjustments that might have been found necessary may have a significant effect on the Group's net assets at 31 December 2018 and its financial performance and cash flows for the year then ended and the related disclosures thereof in the consolidated financial statements.

BUSINESS AND FINANCIAL OVERVIEW

Rental of Energy-saving Air-conditioners

The Group recorded approximately HK$3,379,000 of revenue from the rental of energy-saving air-conditioners business, representing a decrease of 29.6% compared with last fiscal year of approximately HK$4,798,000. The reduction in usage rate of air-conditioners are caused by the increased rainfall in the peak season from May to October in the past year. Due to the economic slowdown in mainland China, the rental income of air-conditioners are declined as a whole.

Loss of this segment increased by 42.9% from approximately HK$12,135,000 for the year ended 31 December 2017 to HK$17,336,000 for the year ended 31 December 2018, mainly caused by the increase on impairment loss on other receivables and the impairment loss on fixed assets as a result of the under performance of the segment.

Trading Business

The revenue from trading business continues to be a major revenue of the group amounted to approximately HK$163,951,000, representing a decrease of 10.1% compared with last fiscal year of approximately HK$182,465,000. The decrease was attributed by the economic uncertainties posed by the trade war and other unfavourable factors such as the slow-down in the economic development in mainland China. Segment profit decreased by 53.8% from approximately HK$5,581,000 for the year ended 31 December 2017 to the approximately HK$2,577,000 for the year ended 31 December 2018, as a result of the drop on gross profit margin which is violated with the Sino-US trade war to the trading business as a whole during the year. In view of the further economic slowdown in mainland China and persistent volatility from the Sino-US trade war, the Group continued the prudent manner to assess the credit risk when expanding its customer base and product mix.

Further, the management of the Group will continuously places significant effort in sourcing potential customers for trading of electronic products. In view of the Group has demonstrated its ability to source the latest model of electronic product timely with favourable terms from its suppliers, the management of the Group anticipated that the Group will be able to expand its customer base and successfully obtain recurring sales contracts with existing customers for the years ending 31 December 2019 and 2020.

Operations of Carbon Emission Trading Platform and Related Services

The Group has no revenue from the operations of carbon emission trading platform (the "Operations of the CETP") for the year ended 31 December 2018 and 2017. Loss of this segment decreased by 96.1% from approximately HK$33,515,000 for the year ended 31 December 2017 to HK$1,300,000 for the year ended 31 December 2018.

The project of 中國內蒙古森工集團根河森林工業有限公司碳匯造林項目 (the "Project") in providing service to 內蒙古根河林業局 in assisting to apply for the CCER (namely Chinese Certified Emission Reduction, trading through the CETP) quotas from the National Development and Reform Commission ("NDRC") has been delayed along with the incomprehensive carbon emission trading policy.

The development of carbon trading in the PRC was slow due to unclear systems and procedures for verifying the carbon emission products and the absence of a unified market. The price of the carbon allowance, CER and CCER is also not stable leading to a lack of confidence for the investors in entering into the market. The Operations of the CETP is therefore facing a challenge in Hong Kong as a result to a lack of knowledge or awareness to conduct the carbon emission trading. The business is underperformance and is considered as cost-intensive to continue the business with the unfavourable factors in the industry.

On 15 October 2018, the Group entered into a sale and purchase agreement to dispose entire business at a consideration of approximately HK$50,000,000. Details of the disposal are set out in the Company's announcement dated on 15 October 2018.

Money Lending Business

The Group recorded the loan interest income of approximately HK$3,136,000 from the money lending business for the year ended 31 December 2018, representing a slight decrease of 1.9% compared with the last fiscal year of approximately HK$3,196,000. The interest income grew in line with the size increment of loan portfolio. As a result of the implementation of cost control measures, the segment profit of the money lending business increased by 52.3% from HK$1,582,000 for the year ended 31 December 2017 to approximately HK$2,409,000 for the year ended 31 December 2018. There was no default event happened in respect of the Group's loan portfolio during the year under review.

The business contributed a high segmental profit margin to the Group. However, the default risk is expected to increase due to the material uncertainties of global economic environment. A prudent attitude to the money lending business will be adopted for better risk management.

Securities Trading Business

The Group recorded approximately HK$2,896,000 (2017: HK$3,001,000) of revenue from this segment, representing a decrease of 3.6% compared with last fiscal year in line with the drop of turnover by 7.3% from approximately HK$1,199 million for the year ended 31 December 2017 to approximately HK$1,111 million for the year ended 31 December 2018. Loss for the segment was decreased by 2.7% from HK$4,394,000 for the year ended 31 December 2017 to HK4,277,000 for the year ended 31 December 2018.

The Group has implemented strict cost cutting policies and manpower restructuring during the year to minimise the operating cost of the business. However, the business performance and expansion were also affected by the adverse Hong Kong stock market performance from the second quarter of the year due to myriad causes, such as the ongoing US-China trade war, interest hikes, the currency depreciation of emerging countries and a slowdown in the Chinese economy. The uncertainties of the stock market caused the fall of the turnover over the year.

The business has expanded its services to providing foreign securities market trading services to stocks listed on foreign stock exchange especially in the United States to expand the source of income.

Blockchain Technology Related Business

The blockchain technology related business commenced its activities during the second quarter of the year. It is mainly engaged in (i) mainstream cryptocurrencies trading, (ii) non-mainstream cryptocurrencies trading and (iii) enterprise solution for blockchain technology.

i. Mainstream cryptocurrencies trading

The business segment has been commenced in April 2018. The Group has launched its wholesale cryptocurrency trading business that caters to customers who seek to purchase mainstream cryptocurrencies including Bitcoin and Ethereum for fiat currencies in amounts not less than HK$1,000,000. The Group has established relationships with large international suppliers of cryptocurrencies mainly from the United States, allowing the Group to secure the required amounts of cryptocurrencies at cost-effective prices that are then sold to customers at a markup.

During the year ended 31 December 2018, the Group recorded revenue of approximately HK$1,132,000 from mainstream cryptocurrencies trading. The gross profit margin remains at about 2.0% in average. To minimise the Group's inventory risk and maintain the Group's liquidity, the mainstream cryptocurrencies trading business is back-to-back.

ii. Non-mainstream cryptocurrencies trading

The Group launched the trading of non-mainstream cryptocurrencies by setting up a cryptocurrencies trading platform – TiDeal to allow our clients to buy and sell non-mainstream cryptocurrencies in a website. The commission and service income derived from the platform is approximately HK$6,123,000 for the year ended 31 December 2018.

The number of registered users of TiDeal has increased from about 200 as at 31 May 2018 to about 75,000 as at 31 December 2018. The Directors are of the view that existing promotion and marketing strategies are efficient and effective. The management of the Group will continue to expand its customer base, especially to Japan, Malaysia, and other Asia regions through increasing marketing effort in the Social Media Groups.

iii. Enterprise solutions for blockchain technology

Since May 2018, The Group has been developing enterprise solutions based on blockchain technology, providing blockchain-based software technology consulting and research and development for traditional enterprises such as financial institutions, entertainment industry and e-commerce platforms.

Blockchain technology is able to establish a series of reliable records and plays a role of a trusted machine which is not controlled by any signal party in operation of such systems, which may enable application in various areas and industries (e.g. logistics, financial systems, healthcare, supply chain management, micropayment/mobile payment systems, and asset transactions etc.) For example, a) supply chain companies may use blockchain technology to increase transparency by a shared record of ownership and location of parts and products in real time; and b) asset management companies may record all investments and transactions on blockchain for its customers or investors to inspect, which promotes trusts in stewardship of its assets.

In order to realise above application, large amounts of information will be required to be processed and recorded on blockchain. However, traditional blockchain technologies are not allowed to 1) store large numbers of transaction records on blockchain; 2) process large numbers of transactions in a short period of time with minimal transactions costs; 3) provide privacy protection for all kinds of transactions including asset transaction, smart contract, and general information record. Therefore, application of blockchain in commercial world is limited nowadays.

The Group has a second layer technology, called Booster of Ledger Technology ("BOLT"), advantages of which include fast transaction speed and assurance of privacy. BOLT can process more than 1,000,000 transactions per second. At the same time, BOLT can provide privacy protection to all users, including customers and digital assets providers. BOLT surpasses limitations of traditional blockchain technologies and has ability to establish a trustworthy decentralised architecture with no speed limit.

By development blockchain technologies based on BOLT, the management believe that the Group is able to provide various solutions in relation to commercial applications of blockchain technologies. During the year ended 31 December 2018, the business segment has been under development stage, mainly focusing on research and development of applications on blockchain technology based on BOLT.

Loss of the segment of approximately HK$22,027,000 is mainly attributed to the substantial investment in the research and development and operation costs for blockchain technology related to enterprise solutions and cryptocurrencies trading platform, comprising the staff costs of software engineers, IT programmers and other operating staffs. The Group will aggressively enhance the popularity of the platform and the active user base.

PROSPECTS

The business segment relates to the provision operating lease of energy-saving air-conditioners to the customers in the PRC. Leasing of energy-saving air-conditioner is attractive to the customers, especially for small and medium sized enterprises in the PRC, since it can reduce substantial capital investment in the instalment of air-conditioners. However, the rental of energy-saving air-conditioners business reflects a negative downward trend from the decreasing utilisation rate of the air-conditioner during 2018. The management of the Group realised that more than 70 percent of existing customers made top-up credits less than 1,200 hours of air-conditioner rental for a year or the balance of the credits (excluding the deposit) is less than 50 hours. However, the Group has not exercised its right to terminate the current leasing agreement and recalled the air-conditioners. During the year ending 31 December 2019 and 2020, the Group will gradually exercise its right to terminate those current leasing agreements and recall the air-conditioner. Further, the Group will plan to introduce an agreement with minimum charges the new leasing agreement. The customer of the Group under the new leasing agreement will also be required to pay the deposits, but together with minimum top-up credits which will be equivalent to 1,200 hours of air-conditioner rental in advance upon the signing of the new leasing agreements. The hourly rate of air-conditions rental charged under the new leasing agreement (the “New Hourly Rate”) will be approximately 15% lower than the current hourly rate. Therefore, the new leasing agreement will be able to increase the utilisation rate of the air-conditioner and secure income of the business. The management of the Group will expect that the discount of the new hourly rate will be attractive to the customer, especially, for the customers whose consumptions of air-conditioner services are close 1,200 hours for a year, to enter into the new leasing agreement. Furthermore, The Group will continue to make its best effort to explore more new opportunity with medium-sized enterprise including those operating factory, malls and restaurants in the PRC.

On 20 January 2019, the Group entered into a legally-binding strategic distribution cooperation agreement (the “Strategic Distribution Cooperation Agreement”) with the Electric Vehicle Supplier, pursuant to which the Electric Vehicle Supplier authorized the Group as a distributor to non-PRC regions and a sole distributor in Malaysia for sales of all models of electric vehicles of The Electric Vehicle Supplier for promotion in the permitted sales regions. The management will of the Group expects that the government of Malaysia plans to conduct a physical site visit to the People’s Republic of China (“The PRC”) production base of the Electric Vehicle Supplier in Hangzhou in March 2019. Furthermore, The management of the Group expects that the government of Malaysia will place the first purchase order of 20 electric vehicles with the Group at a total purchase price of approximately USD2,000,000 in the third quarter 2019.

In response to the uncertainties and challenges, the Group will plan to put more effort in the coming year to strengthen the quality of the Group’s loan portfolio with a focus to improve overall loan to value ratio and to reduce the loan portfolio from high risk customers. Furthermore, the Group will increase the lending rate in order to improve the profitability of this segment and expand the loan portfolio.

The management of the Group believe that the segment loss of securities brokerage was temporary and was mainly due to uncertainty of global economic environment. In order to improve this business segment's profitability, the Group will enhance its promotion of securities margin financing services to its customers especially to customers for initial public offerings subscription. Besides, in November 2018, Hing Lee has cooperated with Phillip Securities (HK) Limited to provide foreign securities market trading services to customers of Hing Lee, which has extended the Group's securities dealing and brokerage services to stocks listed on foreign stock exchange especially in the United States and results in increase in the Group's commission income.

The application of block chain technology has been emerging into different industry sectors, such as engineering and construction, to provide a trust, tamper-proof, consensus-based and traceable system so that it can be used to develop a system for record keeping, transfer of value and smart contracts etc. In view of the significant advantages of secure, simple and process-monitor of the block chain technology, vendors have long been working on building connections between devices in the Internet of Things network based on block chain technology. The Internet of Things is the concept of a space in which everything from the analog and digital worlds can be combined. As the Internet of Things keeps expanding, the need for interoperability and sharing of resources become a necessity. Modern companies which launch the startups, deal with finance and investments must necessarily use a block chain platform. Blocking is an eternal digital distributed log of economic transactions, which can be programmed to record not only financial transactions but virtually everything that has value. The management believe the use of the block chain technology in enterprises in different industries would also increase the sales of enterprise solutions for block chain technology of the New Business in the future.

FINANCIAL OVERVIEW

Results

Revenue

For the year ended 31 December 2018, the Group recorded a revenue of approximately HK$180,827,000 (2017: approximately HK$193,460,000), representing a decrease of 6.5% comparing with last fiscal year, as a result of the decrease in revenue from the segment of trading business.

Other Gains and Loss

The other gains and loss was increased by 219.9% from a net loss of approximately HK$1,082,000 for the year ended 31 December 2017 to a net loss of approximately HK$3,461,000 for the year ended 31 December 2018. The substantial increase was mainly attributed to the recognition of an impairment loss arising from the loss allowance on the expected credit losses of the trade receivables, other receivables, deposits and prepayments after adoption of Hong Kong Financial Reporting Standard 9 "Financial Instruments" that has changed the Group's impairment model by replacing the Hong Kong Accounting Standard 39 "incurred loss model" to expected credit losses model with effective from 1 January 2018.

Selling and Distribution Expenses

The selling and distribution expenses of the Group was approximately HK$2,447,000 for the year ended 31 December 2018 (2017: approximately HK$1,666,000), representing an increase of 46.9% comparing with the last fiscal year. The increase was driven by the recruitment of marketing talents for the blockchain technology related business.

Administrative and Other Operating Expenses

The administrative and other operating expenses for the year ended 31 December 2018 amounted to approximately HK$85,117,000 (2017: approximately HK$38,946,000), representing an increase of 118.6% comparing with last fiscal year. The increase was mainly attributed to (i) the equity-settled share-based payments of approximately HK$12,087,000 for the year ended 31 December 2018 (2017: Nil); and (ii) the research and development costs together with other related operating costs arising from the development of the blockchain technology related business. The research and development costs mainly comprised of the staff costs incurred by the software engineers and IT programmers.

Loss for the Year

Except from the factors mentioned above, the loss for the year by 168.3% from approximately HK$57,634,000 for the year ended 31 December 2017 to HK$154,617,000 for the year ended 31 December 2018 was also related to (i) the impairment loss on goodwill on in relation to the Group's acquisition of securities trading business in the Yr.2016 of approximately HK$2,365,000 as a result of the underperformance of the Group's securities trading business; (ii) the recognition of loss on disposal of subsidiaries of approximately HK$22,791,000; (iii) the impairment loss on property, plant and equipment of rental of energy-saving air-conditioners segments as a result of the underperformance during the year; and (iv) the impairment loss on cryptocurrencies, suffering from the crypto economy downturn from the second quarter of the year.

Liquidity and Financial Resources

As at 31 December 2018, the Group had total assets of approximately HK$225,265,000 (2017: approximately HK$380,041,000), including net cash and cash equivalents of approximately HK$48,982,000 (2017: approximately HK$104,902,000).

As at 31 December 2018, current ratio (defined as total current assets divided by total current liabilities) was 8.26 (2017: 11.43). As at 31 December 2018, the Group had approximately HK$296,000 of amount due to related parties which has unsecured, interest-free and repayable on demand (2017: approximately HK$1,526,000).

During the year under review, the Group financed its operations with fund raising.

Financing and Capital Structure

Grant of share options

On 18 January 2018, the Company granted 54,876,000 share options in which of 35,208,000 share options were granted to executive Directors and non-executive Directors of the Company under the Company's share option scheme adopted on 9 May 2012. Each of options shall entitle its holders to subscribe for one ordinary share of HK$0.04 each in the capital of the Company at the exercise price of HK$0.370 per share. Please refer to the contents headed "SHARE OPTION SCHEME" for details.

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. It strives to reduce its exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Charges on Group Assets

As at 31 December 2018 and 2017, none of the assets of the Group has been pledged to secure any loan granted to the Group.

Foreign Exchange Exposure

The Group's income and expenditure during the year ended 31 December 2018 were denominated in Hong Kong dollars ("HKD"), Renminbi ("RMB"), Taiwan dollars and US dollars, and most of the assets and liabilities as at 31 December 2018 were denominated either in HKD or RMB. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rates, and no hedging transaction or forward contract arrangement was made by the Group during the year under review.

MAJOR EVENTS DURING THE YEAR UNDER REVIEW

Disposal of Subsidiaries and Acquisition of Cryptocurrencies

On 15 October 2018, the Company entered into a sale and purchase agreement in respect of the disposal of its entire interests in Wonderful Dream Limited and its subsidiaries, Vax Limited and Hong Kong Carbon Emission Trading Limited (the "Disposal Group") at a consideration of HK$50.0 million which was settled by transferring to the Group of 91,240,875.9 units of XPA, which was equivalent to the market value of approximately HK$54,632,000 as at 10:00 a.m. on 15 October 2018 (the "Disposal and Acquisition"). The Group realised a loss on the disposal of approximately HK$19,487,000. The disposal was completed 15 October 2018.

The Disposal Group was principally operating of a carbon emission trading platform and related services. In view of the existing immature market conditions of the carbon emission trading and the the Group's recent development on blockchain technology related business, the Disposal and Acquisition is considered as a prime opportunity to realise the investment in the CETP business and exchange for investment in XPA to maximise the Group's return in the long run. Details of the Disposal and Acquisition are set out in the Company's announcement dated 15 October 2018.

Termination of Joint Venture

On 15 October 2018, the Group entered into a termination deed with TideEX Technology Limited ("TTL"), a company incorporated under laws of Republic of Seychelles, in which Mr. Chen Ping (Chairman and executive Director) and Ms. Ma Jian Ying (CO-Chief Executive Officer and executive Director) hold 85% and 15% interest respectively, to terminate the joint venture agreement (the "JV Agreement") entered into between the Company and TTL on 16 November 2017. Neither party would have any claims against the other as a result of the termination of the JV Agreement. Details of termination of JV Agreement are set out in the Company's announcement dated 15 October 2018.

PRINCIPAL RISKS

The Group's financial position, business prospect may be affected by a number of risks including operation risks, market risk, financial risk and compliance risk. The Group's trading business and money lending business are subject to credit risks and foreign currency risk, respectively. The Group has commenced the blockchain technology related business and the related operation risks, compliance risks and financial risks are set out as following:

Early Stage of Blockchain Technology Development and May Not Obtain Wide Market Acceptance in the Future

Blockchain is an open-source peer to decentralised digital ledger comprising a series of data blocks that are linked and secured using cryptography. Although there is a strong potential for blockchain technology in various applications, including but not limited to those in fields of payment, financial services (such as registration and transfer of equity ownership), cloud computing, loT, cybersecurity, and cryptocurrencies, there can be no assurance that such potential will be fully utilised. If blockchain technology cannot gain a universal acceptance in the society, there may not be strong market demand for blockchain technology, and the prospects, business and results of operations can be materially and adversely affected.

Intense Industry Competition

It is a highly competitive industry for cryptocurrencies trading platforms. The competitors include many well-known domestic and international players with advantage over us in terms of financial and other resources. The competition in cryptocurrencies trading platforms industry will continue to be intense as the Group not only competes with existing players that have been currently focusing on cryptocurrencies trading platforms, but also new entrants. Some of these competitors may become more responsive to the change in the cryptocurrencies industry more promptly and efficiently. Competitive environment from the existing and potential competitors could result in decreasing in our market share. If the Group fail to compete effectively and efficiently or fail to adopt to changes in this environment, the cryptocurrencies trading platform business of the Group, financial condition and results of the operations may be materially and adversely affected.

Difficulties in Recruiting and Retaining Key Personnel

The future growth and success of the blockchain technology related business depend to a significant extent on the continuing service and contribution of the engineers and senior management personnel. Much of the Group's future success on this business depends on the continuing available service of key personnel, including the Group's management team and other highly skilled employees. Experienced personnel in the blockchain technology related industry are in high demand and competition of their talents is intense.

Economic, Political, Regulatory and Other Risks Arising from the Blockchain Technology Related Business

Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks that may be different from or incremental to those in Hong Kong. In addition to the risks that we face in Hong Kong, the operation risks that could adversely affect the business, including:

- The need to adopt our content and user interfaces for specific cultural and language differences, including licensing a certain portion of our content assets before we have developed a full appreciation for its performance within a given territory;

- Difficulties and costs associated with staffing and managing foreign operations;

- Management distraction;

- Difficulties in understanding and complying with local laws, regulations and customs in foreign jurisdictions;

- There is no legislation that directly regulate nor define cryptocurrencies or crypto exchanges in Hong Kong. Stemming from the degree of uncertainty within the statutory law, other secondary sources are relied on, whether relevant legislations and/or publications from government authorities;

- Fluctuations in cryptocurrency exchange rates (due to the fact that we charge transaction fees in cryptocurrencies instead of fiat money), which we do not use foreign exchange contracts or derivatives to hedge against and which could impact asset value;

- New and different source of competition; and

- Different and more stringent user protection, data protection, privacy and other laws, including data localization requirements.

The failure to manage any of these risks successfully could harm the overall business, and results of the operations.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 192 (2017: 55) full-time employees in Hong Kong, the PRC and Taiwan. Total staff costs (including directors' remuneration but excluding share-based compensation) were approximately HK$34,337,000 for the year ended 31 December 2018 (2017: approximately HK$18,120,000). Remuneration is determined with reference to market terms, employment conditions, responsibilities and the performance, qualification and experience of individual employee. Other benefits include Corporate Liabilities Insurance for the Directors and Officers, contributions to the statutory mandatory provident fund scheme for its employees in Hong Kong and social insurance for its employees in the PRC, and are paid at appropriate levels.

MATERIAL INVESTMENTS

Investment in Cryptocurrencies

The Group's investment in Cryptocurrencies of ETH and XPA as at 31 December 2018 are approximately 2,000 units and 111.74 million units respectively.

Cryptocurrencies are digital currencies in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds using blockchain technology, operating independent of a central bank. The blockchain is a public record of cryptocurrency transactions in chronological order. The blockchain is shared between all users in that blockchain. It is used to verify the permanence of transactions and to prevent double spending. cryptocurrencies are not issued by any central authority, rendering them theoretically immune to government interference or manipulation. cryptocurrencies make it easier to transfer funds between two parties in a transaction and these transfers are facilitated.

ETH is a cryptocurrency of which its blockchain is generated by the Ethereum platform. Ethereum platform is a decentralized platform that runs smart contracts and allow different types of cryptocurrency tokens to be launched in Ethereum blockchain with ease. Applications and cryptocurrency tokens are able to be run in the Ethereum platform exactly as programmed without any possibility of downtime, censorship, and fraud or third-party interference. This would save significant time and resources to be devoted in the development of a separate blockchain.

XPA is a cryptocurrency token which is currently built up based on the blockchain technology of Ethereum platform. XPA can be traded in an open market and is being used in an ecosystem comprising of XPA, the cryptocurrency token itself; XPA can be used in a decentralized cryptocurrencies exchange, namely XPA Exchange; and XPA can be used as well to exchange for another cryptocurrency asset known as XPA Assets. XPA Assets is a secure cryptocurrency that is anchored to the legal tender via smart contract with a vision to allow a stable cryptocurrency value to facilitate payment and circulation.

The acquisitions of ETH and XPA are strategic moves of the Group to seek for better investment return of its financial resources. The Board considered the optimistic future on prospects of blockchain technology and cryptocurrencies. The Board also view that the acquisitions of ETH and XPA provide the Group with a good investment opportunity to expand investment portfolio with quality assets in long run. Although the cryptocurrencies market price has deteriorated in a relatively low level recently, reflecting the volatility of the market, the Directors believe that such volatility is only in a short-run period and is caused by investment environment as a whole, not merely in cryptocurrencies market. The Directors expect that the market value of the cryptocurrencies will pick up the growth in the long run.

The Board also has evaluated and determined the nature and extent of the risks associated with the custody of the acquired cryptocurrencies that the Group has purchased and may purchase in the future. The Group has accordingly taken appropriate steps to ensure that the Group has established and maintains appropriate and effective risk management and internal control systems in this regard. The risk management measures include proper authorization with respect to the withdrawals of cryptocurrencies, password access to cryptocurrencies trading accounts by authorized persons only, implementation of two-factor authentication in relation to access to trading accounts and withdrawal of cryptocurrencies, and email notification to authorized persons in the event there is a log-in to the cryptocurrencies trading accounts of the Group. With respect to internal control systems, proper walk-through procedures in relation to above measures have been performing and these measures have been successfully implemented.

The Board and the audit committee of the Group have reviewed the effectiveness of the measures and the relevant internal control systems of the Group and consider that they are effective in safeguarding the acquired cryptocurrencies in the cryptocurrencies trading accounts of the Group.

USE OF PROCEEDS

The gross proceeds raised from subscription of new shares (the "Subscription of New Shares") and rights issue (the "Rights Issue") were approximately HK$37,885,000 and HK$103,638,000, respectively. The intended use of net proceeds from the subscription of new shares and rights issue, utilisation, remaining balance of the proceeds as at 31 December 2018 and the revised allocation before and after adjustment are summarised below:

(a) Subscription of New Shares

On 4 January 2017, the Company entered into the subscription agreements pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have agreed to subscribe for a total of 115,153,225 shares at HK$0.329 per subscription price, representing approximately 20.0% of the issued share capital of the Company. The net proceeds from the subscription of shares received by the Company was approximately HK$37,750,000.

The below table sets out intended use of net proceeds, utilisation and the remaining balance of the net proceeds as at 31 December 2018:

	Intended use of net proceeds	**Utilisation**	**Remaining balance as at 31 December 2018**
	HK$ million	*HK$ million*	*HK$ million*
Repayment of short-term loan	21.00	(21.00)	–
Expansion of securities trading business	8.00	(2.50)	5.50
General working capital	8.75	(8.75)	–
Total	**37.75**	**(32.25)**	**5.50**

(b) Rights Issue

On 29 March 2017, the Company entered into an underwriting agreement with an underwriter by issuing 345,459,675 rights shares on the basis of one rights share for every two shares on the record date (13 April 2017) at the subscription price of HK$0.3 per right shares, representing approximately 50.0% of the then issued shares capital of the Company. The net proceeds raised from the rights issues received by the Company was approximately HK$99,690,000.

As disclosed in the Company's announcement dated on 18 January 2018, the Board has resolved to re-allocate approximately HK$50.00 million of the unreleased net proceeds (comprising approximately HK$35.00 million out of the development of securities trading business and approximately HK$15.00 million out of the development of money lending business) to the Group's investment business sector a view to enhancing the value of the Group as a whole.

The below table sets out the proposed application of net proceeds before and after adjustments and usage up to the 31 December 2018:

	Intended use of net proceeds	Utilisation	Reallocations	Utilisation after reallocations up to 31 December 2018	Remaining balance as at 31 December 2018
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Development of securities trading business	50.00	–	(35.00)	–	15.00
Development of money lending business	25.00	(9.97)	(15.00)	–	0.03
Operations of carbon emission trading platform	3.00	(1.57)	–	(1.13)	0.30
Investment business sector	–	–	50.00	(26.34)	23.66
General working capital	21.69	(0.46)	–	(17.75)	3.48
Total	**99.69**	**(12.00)**	**–**	**(45.22)**	**42.47**

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

EVENTS AFTER THE REPORTING PERIOD

On 15 March 2019, United Property Finance Limited entered into the a third extension agreement with Infinity Wealth International Limited whereby, among other matters, (i) United Property Finance Limited agreed to extend the second extended maturity date to 8 September 2019 with retrospective effect from 8 March 2019 and (ii) the parties agreed that Infinity Wealth International Limited would pay the principal amount of the loan HK$10,000,000 and the interest accrued on the loan from the date of the Third Loan Agreement to the date of the third extended maturity date to United Property Finance Limited on the third extended maturity date.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2018, interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO")) which were notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Capacity/ Nature of interest	Number of underlying shares held under share options	Percentage of the issued share capital of the Company
Mr. Chen Ping	Beneficial owner	10,356,000	1.00%
Ms. Ma Jian Ying	Beneficial owner	10,356,000	1.00%
Mr. Tsang Chun Kit Terence	Beneficial owner	10,356,000	1.00%
Mr. Hsu Bin Chun *(resigned on 25 May 2018)*	Beneficial owner	3,108,000	0.30%
Mr. Shi Guang Rong	Beneficial owner	1,032,000	0.10%

Save as disclosed herein, neither the directors nor any of their associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations as at 31 December 2018 as defined in Section 352 of the SFO. In addition, at no time during the year had the Directors and chief executives of the Company (including their spouses and children under 18 years of age) any interest in, or been granted, or exercised any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and its associated corporations (within the meaning of the SFO).

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

A share option scheme has been adopted and approved by the shareholders of the Company at the annual general meeting held on 9 May 2012 (the "Share Option Scheme"). The 10% limit of the Share Option Scheme (the "Scheme Mandate Limit") has been refreshed on 13 May 2015 and 3 May 2016. As at the date of this annual report, the Scheme Mandate Limit refreshed on 3 May 2016 has not yet been utilised and the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 57,576,612 shares after taking into account the effect of consolidation of the shares became effective on 8 December 2016. As at 31 December 2018, the Company has 57,897,500 options outstanding which represented approximately 5.59% of the total number of issued shares of the Company as at that date.

The following table discloses movements in the Company's share options during the year ended 31 December 2018:

Category of participants	Date of share options granted	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at end of the year	Adjusted exercise price *HK$*	Exercise period
Directors	11 January 2018	–	35,208,000	–	(3,108,000)	32,100,000	0.370	11 January 2018 – 9 May 2022
Employees and adviser	18 January 2016	12,259,000	–	–	(6,129,500)	6,129,500	0.488 *(Note)*	18 January 2016 – 9 May 2022
	11 January 2018	–	19,668,000	–	–	19,668,000	0.370	11 January 2018 – 9 May 2022
		12,259,000	54,876,000	–	(9,237,500)	57,897,500		

Note: Adjustments were made to the exercise price and the number of shares of the Company comprised in the outstanding share options which may be allotted and issued upon exercise as a result of the right issues completed on 12 May 2017. Details of the adjustments to the outstanding share options, please refer to the announcement of the Company dated 11 May 2017.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2018, the interests or short positions of person in the shares and underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in shares and underlying shares of the Company

Name of Shareholders	Number of shares Interested	Capacity in which shares are held	Percentage of issued share capital
Mr. Sun Li Jun	129,547,378	Beneficial owner	12.50%
Mr. Zhu Wei Sha	93,475,000	Beneficial owner	9.02%
Yuxing InfoTech Investment Holdings Limited *(Note 1)*	80,880,000	Interest in controlled corporation	7.80%
Yuxing Group (International) Limited *(Note 1)*	80,800,000	Interest in controlled corporation	7.80%
Yuxing Technology Company Limited *(Note 1)*	80,800,000	Beneficial owner	7.80%

Note:

1. 80,880,000 shares of the Company are held by Yuxing Technology Company Limited which is a wholly-owned subsidiary of Yuxing Group (International) Limited, which in turns is wholly owned by Yuxing InfoTech Investment Holdings Limited. By virtue of the provisions of Part XV of the SFO, each of Yuxing Group (International) Limited and Yuxing InfoTech Investment Holdings Limited was deemed to be interested in the shares of the Company in which Yuxing Technology Company Limited was interested.

Save as disclosed above, as at 31 December 2018, the Directors were not aware of any other person (other than the directors and chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions as set out in the CG Code throughout the year ended 31 December 2018.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As at the date of this report, Ms. Ma Jian Ying and Ms. Xie Bin are the co-chief executive officer of the Group, and Mr. Chen Ping are the chairman of the Board. Their respective responsibilities are clearly established and defined by the Board in writing. The chairman is responsible for ensuring that the Board is functioning properly, with good corporate governance practices and procedures, whilst the chief executive officer, supported by the executive Directors and senior management, is responsible for managing the Group's businesses, including the implementation of major strategies and initiatives adopted by the Board.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. As at the date of this announcement, the Audit Committee has three members comprising Mr. Leung Wah, Ms. Wong Mei Ling and Mr. Qin Hui, the three independent non-executive Directors.

The Group's audited annual results for the year ended 31 December 2018 have been reviewed by the Audit Committee, which was of the opinion that the preparation of the results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors and the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any business or interest in companies that competes or may compete with the business of the Group or any other conflict of interests which any such person has or may have with the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiries of all Directors, each Director has confirmed that he has fully complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the year ended 31 December 2017. Other employees of the Group who are likely to be in possession of unpublished inside information of the Company are also subject to compliance with guidelines on no less than exacting terms than the required standard of dealings set out in 5.48 to 5.67 of the GEM Listing Rules. No incident of non-compliance of the Written Guidelines by the relevant employees was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year.

RESUMPTION OF TRADING

Trading in the shares of the Company on GEM of the Exchange has been suspended since 9:06 a.m. on 1 April 2019 pending the publication of this annual results announcement. The Company has made an application to the Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on 2 May 2019.

By Order of the Board
Global Token Limited
Ma Jian Ying
CO-Chief Executive Officer and executive Director

Hong Kong, 30 April 2019

As at the date of this announcement, the board of Directors comprises Mr. Chen Ping, Ms. Ma Jian Ying, Ms. Xie Bin, Mr. Tsang Chun Kit Terence and Mr. Wang An Zhong as executive Directors, Mr. Shi Guang Rong as a non-executive Director and Mr. Leung Wah, Ms. Wong Mei Ling and Mr. Qin Hui as independent non-executive Directors.