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國美金融科技有限公司

Gome Finance Technology Co., Ltd.

(Incorporated in Bermuda with limited liability)

(Stock Code: 628)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board (the "Board") of directors (the "Directors") of Gome Finance Technology Co., Ltd. (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2017 together with the comparative figures. The condensed consolidated interim results are unaudited, but have been reviewed by the Company's audit committee (the "Audit Committee") and the external auditors of the Company.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**Six Months Ended 30 June 2017** *RMB'000* **(Unaudited)**	Six Months Ended 30 September 2016 *RMB'000* (Unaudited and Restated)
Revenue	7	**40,006**	17,256
Other income and gains	7	**12,658**	(5,237)
Administrative expenses		**(28,243)**	(11,625)
Impairment loss on trade and loans receivables	12	**(2,116)**	(4,292)
Finance costs	9	**(17,597)**	(1,440)
Profit/(loss) before tax	8	**4,708**	(5,338)
Income tax expense	10	**(693)**	(1,527)
Profit/(loss) for the period		**4,015**	(6,865)
Attributable to:			
Owners of the Company		**4,015**	(6,865)
Earnings/(loss) per share attributable to ordinary equity holders of the Company			
Basic and diluted	11	**RMB0.15 cents**	RMB(0.74) cents
Profit/(loss) for the period		**4,015**	(6,865)
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of overseas operations		**(41,844)**	(2,400)
Other comprehensive income for the period, net of tax		**(41,844)**	(2,400)
Total comprehensive income for the period		**(37,829)**	(9,265)
Attributable to:			
Owners of the Company		**(37,829)**	(9,265)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2017 *RMB'000* (Unaudited)	As at 31 December 2016 *RMB'000* (Restated)
Non-current assets			
Property, plant and equipment		**1,977**	2,800
Goodwill		**–**	–
Other intangible assets		**20,258**	22,814
Deferred tax assets		**945**	781
Total non-current assets		**23,180**	26,395
Current assets			
Trade and loans receivables	12	**773,814**	963,966
Prepayments, deposits and other receivables		**23,237**	27,450
Notes receivable		**–**	26,835
Pledged deposits for bank loans		**650,342**	665,996
Cash and cash equivalents		**1,019,854**	789,683
Total current assets		**2,467,247**	2,473,930
Current Liabilities			
Trade payables	13	**24,629**	24,550
Other payables and accruals		**31,353**	16,264
Tax payables		**2,677**	4,802
Interest-bearing bank and other borrowings		**652,098**	636,573
Total current liabilities		**710,757**	682,189
Net current assets		**1,756,490**	1,791,741
Total assets less current liabilities		**1,779,670**	1,818,136
Non-current liabilities			
Bonds issued		**27,450**	28,087
Total non-current liabilities		**27,450**	28,087
Net assets		**1,752,220**	1,790,049
Equity			
Equity attributable to owners of the Company			
Share capital		**230,159**	230,159
Reserves		**1,522,061**	1,559,890
Total equity		**1,752,220**	1,790,049

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE AND GROUP INFORMATION

Gome Finance Technology Co., Ltd. (formerly known as Sino Credit Holdings Limited) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "HKEx"). The principal place of business in Hong Kong is located at Suite 2912, 29th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The Company's holding company and ultimate holding company is Swiree Capital Limited, a company incorporated in the British Virgin Islands.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprise commercial factoring, financial leasing, pawn business and financial consultancy services in Mainland China and money lending services in Hong Kong.

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 6 February 2017, the name of the Company was changed from "Sino Credit Holdings Limited" to "Gome Finance Technology Co., Ltd.". The name change of the Company became effective on 15 February 2017.

2 BASIS OF PREPARATION

Compliance with Hong Kong Financial Reporting Standards ("HKFRSs")

The interim condensed consolidated financial statements for the six months ended 30 June 2017 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34"), and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the HKEx, and should be read in conjunction with the annual financial statements for the nine months ended 31 December 2016.

Except as described below, the principal accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the nine months ended 31 December 2016.

Use of estimates and assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results in the future may differ from those reported as a result of the use of estimates and assumptions about future conditions. The nature and assumptions related to the Group's accounting estimates are consistent with those adopted in the Group's financial statements for the nine months ended 31 December 2016.

Change of presentation currency

Pursuant to a resolution of the Board passed on 23 December 2016, the Company's presentation currency was changed from the Hong Kong dollar ("HKD") to Renminbi ("RMB").

A change of presentation currency is a change in accounting policy which is accounted for retrospectively. The interim condensed consolidated financial statements included in the Group's interim report for the six months ended 30 September 2016 previously reported in HKD have been restated into RMB using the procedures outlined below:

– assets and liabilities denominated in non-RMB currencies were translated into RMB at the closing rates of exchange on the relevant balance sheet date;

– non-RMB income and expenditure were translated at the average rates of exchange prevailing for the relevant period;

– share capital, share premium and the other reserves were translated at the historic rates prevailing on the date of each transaction;

– all exchange rates were extracted from the Group's underlying financial records.

Restatement of prior period's condensed consolidated financial statements due to business combinations involving entities under common control

On 24 January 2017, United Universal Limited, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Gome Home Appliances (H.K.) Limited and Gome Finance Holding Investment Co., Ltd., which are related parties ultimately controlled by a close member of the beneficial controlling person of the Group, to acquire 100% of the equity interest of Tianjin Gome Financial Leasing Company Limited ("Tianjin Financial Leasing") at nil consideration. The Group obtained the control over Tianjin Financial Leasing on 31 January 2017.

Given that Tianjin Financial Leasing is under common control of the beneficial controlling person of the Group before and after the business combination, and that control is not temporary, the acquisition of Tianjin Financial Leasing is considered as a business combination involving entities under common control. Accordingly, the Group applied the principles of merger accounting to account for the acquisition of Tianjin Financial Leasing in preparing the interim condensed consolidated financial statements of the Group.

By applying the principles of merger accounting, the interim condensed consolidated financial statements of the Group also included the financial position, profit or loss and other comprehensive income and cash flows of Tianjin Financial Leasing as if it had been combined with the Group from the date when the common control was first established (i.e. 5 September 2016, when the Company became controlled by Swiree Capital Limited). Comparative figures as at 31 December 2016 and for the six months ended 30 September 2016 have been restated as a result of such. All intra-group transactions and balances have been eliminated on consolidation.

The quantitative impact on the interim condensed financial statements is summarised below:

(i) The condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 September 2016

	The Group for the six months ended 30 September 2016	The Group for the six months ended 30 September 2016	Prior year adjustments	Tianjin Financial Leasing from 5 September 2016 to 30 September 2016	The Group for the six months ended 30 September 2016
	(Unaudited)	(Unaudited)			(Restated)
	HKD'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	19,877	16,945	131	180	17,256
Other income and gains	(2,904)	(2,476)	(2,765)	4	(5,237)
Administrative expenses	(19,247)	(16,409)	4,831	(47)	(11,625)
Impairment loss on trade and loans receivables	(3,334)	(2,842)	(1,450)	–	(4,292)
Finance costs	(1,538)	(1,310)	–	(130)	(1,440)
Income tax expense	–	–	(1,527)	–	(1,527)
(Loss)/profit for the period	(7,146)	(6,092)	(780)	7	(6,865)
Exchange differences on translation of overseas operations	(15,961)	(2,400)	–	–	(2,400)
Total comprehensive income for the period	(23,107)	(8,492)	(780)	7	(9,265)

(ii) The condensed consolidated statement of financial position as at 31 December 2016

	The Group at 31 December 2016	Tianjin Financial Leasing at 31 December 2016	The Group at 31 December 2016
	(Audited)		(Restated)
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	26,371	24	26,395
Total current assets	2,446,216	27,714	2,473,930
Total non-current liabilities	28,087	–	28,087
Total current liabilities	653,321	28,868	682,189
Total equity	1,791,179	(1,130)	1,790,049

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period's financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Annual Improvements 2014-2016 Cycle: HKFRS 12	*Disclosure of Interests in Other Entities*

Amendments to HKAS 7 require an entity 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.

Amendments to HKAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Annual Improvements 2014-2016 Cycle: HKFRS 12	*Disclosure of Interests in Other Entities*

The amendments clarify that the disclosure requirements in HKFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective in these financial statements.

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]
HKFRS 9	*Financial Instruments*[1]
HKFRS 15	*Revenue from Contracts with Customers*[1]
HK(IFRIC) Interpretation 22	*Foreign Currency Transactions and Advance Consideration*[1]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[1]
HKFRS 16	*Leases*[2]
Amendments to HKAS 40	*Transfers of Investment Property*[1]

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

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

5 PRIOR YEAR ADJUSTMENTS

The Group discovered certain cut-off errors in revenue and expenses accruals as at 30 September 2016. The interim condensed consolidated financial statements for the six months ended 30 September 2016 have been restated to correct these errors. The effect of the restatement on these interim condensed financial statements is included in Note 2.

6 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the internal reports reviewed and used by executive directors for strategic decision making. The executive Directors consider the business from a product and service perspective. Due to increasing focus on commercial factoring and finance lease services in the current period, the Group divides the financing services segment into commercial factoring services, finance lease services and other financing services segments to provide better assessment of segment performance. The comparative figures have been restated accordingly. Summary of details of the operating segments is as follows:

Operating segments	**Nature of business activities**
Commercial factoring services	Commercial factoring services in Mainland China
Finance lease services	Finance lease services in Mainland China
Other financing services	Provision of pawn loan services, real estate-backed loan services, other loan services in Mainland China, and money lending services in Hong Kong.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that bank interest income, investment income, finance costs of bonds issued, exchange gain as well as items not specifically attributed to an individual reportable segment, such as unallocated corporate expenses, are excluded from such measurement.

Segment assets include all tangible and intangible assets, current assets with the exception of notes receivable and other corporate assets which are not allocated to an individual reportable segment. Segment liabilities include trade and other payables attributable to the activities of the individual segments, interest-bearing bank and other borrowings managed directly by the segments with the exception of other corporate liabilities which are unallocated to an individual reportable segment.

There are no intersegment sales or transfers among the segments.

	For the six months ended 30 June 2017 (Unaudited)			
	Commercial factoring services	**Finance lease services**	**Other financing services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue:				
Revenue from external customers	**35,152**	**1,555**	**3,299**	**40,006**
Segment results	**1,792**	**(1,272)**	**(2,625)**	**(2,105)**
Reconciliation:				
Investment income				**1,555**
Bank interest income				**2,957**
Finance costs				**(1,279)**
Exchange gain				**8,123**
Unallocated expenses				**(4,543)**
Profit before taxation				**4,708**
Taxation				**(693)**
Profit for the period				**4,015**

	At 30 June 2017 (Unaudited)			
	Commercial factoring services	**Finance lease services**	**Other financing services**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	**1,691,000**	**341,499**	**38,698**	**2,071,197**
Reconciliation:				
Unallocated assets				**419,230**
Total assets				**2,490,427**
Segment liabilities	**685,607**	**22,244**	**2,534**	**710,385**
Reconciliation:				
Unallocated liabilities				**27,822**
Total liabilities				**738,207**

	For the six months ended 30 June 2017 (Unaudited)				
	Commercial factoring services	**Finance lease services**	**Other financing services**	**Unallocated items**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other segment information:					
Depreciation and amortisation	**982**	**631**	**1,830**	**2**	**3,445**
Impairment loss on trade and loans receivables	**(112)**	**(237)**	**2,465**	**–**	**2,116**
Additions to non-current assets*	**96**	**–**	**–**	**–**	**96**

* Additions to non-current assets only include the additions to property, plant and equipment and the intangible assets during the period.

	For the six months ended 30 September 2016 (Unaudited and Restated)			
	Commercial factoring services	Finance lease services	Other financing services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue:				
Revenue from external customers	2,686	1,165	13,405	17,256
Segment results	(1,298)	(1,555)	6,557	3,704
Reconciliation:				
Fair value changes on financial assets at fair value through profit or loss ("FVTPL")				(5,364)
Bank interest income				115
Finance costs				(1,227)
Exchange loss				(13)
Unallocated expenses				(2,553)
Loss before taxation				(5,338)
Taxation				(1,527)
Loss for the period				(6,865)

	At 31 December 2016 (Restated)			
	Commercial factoring services	Finance lease services	Other financing services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	1,466,141	380,869	222,925	2,069,935
Reconciliation:				
Unallocated assets				430,390
Total assets				2,500,325
Segment liabilities	646,851	30,158	4,737	681,746
Reconciliation:				
Unallocated liabilities				28,530
Total liabilities				710,276

	For the six months ended 30 September 2016 (Unaudited and Restated)				
	Commercial factoring services	Finance lease services	Other financing services	Unallocated items	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other segment information:					
Depreciation and amortisation	659	632	1,076	3	2,370
Impairment loss on trade and loans receivables	1,964	433	1,895	–	4,292
Additions to non-current assets*	3,500	–	10,011	–	13,511

* Additions to non-current assets only include the additions to property, plant and equipment and the intangible assets during the period.

Geographical information

(a) Revenue from external customers

	For the six months ended	
	30 June 2017	30 September 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and Restated)
Hong Kong	**1,509**	1,153
Mainland China	**38,497**	16,103
	40,006	17,256

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Restated)
Hong Kong	**620**	1,061
Mainland China	**21,615**	24,553
	22,235	25,614

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

Information about a major customer

Revenue of approximately RMB3,417,000 for the six months ended 30 June 2017 (for the six months ended 30 September 2016: RMB1,038,000) was interest income derived from commercial factoring loans receivables to a major customer.

7 REVENUE, OTHER INCOME AND GAINS

Revenue represents the interest income earned during the period.

An analysis of revenue, other income and gains is as follows:

	For the six months ended	
	30 June	30 September
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and Restated)
Interest income		
Commercial factoring loans	**35,152**	2,686
Finance lease receivables	**1,555**	1,165
Real estate-backed loans	**847**	2,565
Personal property pawn loans	**302**	3,144
Other loans receivables	**2,150**	7,696
	40,006	17,256
Other income		
Bank interest income	**2,957**	115
Others	**23**	25
	2,980	140
Other gains/(losses)		
Fair value losses on financial assets at FVTPL	**–**	(5,364)
Investment income	**1,555**	–
Exchange gain/(loss)	**8,123**	(13)
	9,678	(5,377)
	12,658	(5,237)

8 PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	For the six months ended	
	30 June	30 September
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and Restated)
Impairment of trade and loans receivables *(Note 12)*	**2,116**	4,292
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	**10,405**	2,298
Retirement benefit scheme contributions	**940**	87
	11,345	2,385
Legal and professional fees	**4,148**	1,138
Amortisation of intangible assets	**2,556**	1,433
Auditor's remuneration	**2,520**	–
Minimum lease payments under operating leases	**1,994**	2,007
Software maintenance	**1,450**	908
Depreciation of property, plant and equipment	**889**	937
Business taxes and other levies	**238**	74

9 FINANCE COSTS

	For the six months ended	
	30 June	30 September
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and Restated)
Interest expenses on:		
Bank and other borrowings	**16,318**	213
Bonds issued	**1,279**	1,227
	17,597	1,440

10 INCOME TAX

No provision of Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2017 and for the six months ended 30 September 2016. Mainland China income tax has been provided at the rate of 25% for the six months ended 30 June 2017 (for the six months ended 30 September 2016: 25%) on the estimated assessable profits arising in Mainland China during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdiction) in which the Group operates.

	For the six months ended	
	30 June 2017	30 September 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and Restated)
Current income tax		
– Mainland China	**857**	2,578
Total current tax	**857**	2,578
Deferred tax	**(164)**	(1,051)
Total tax charge for the period	**693**	1,527

11 EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,701,123,120 (for the six months ended 30 September 2016: 928,359,473) in issue during the period.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2017 in respect of dilution as the impact of the share options outstanding had an anti-dilutive effect on the earnings per share presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

	For the six months ended	
	30 June	30 September
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and Restated)
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculation:	**4,015**	(6,865)

	For the six months ended	
	30 June	30 September
	2017	2016
	'000	*'000*
	(Unaudited)	(Unaudited and Restated)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	**2,701,123**	928,359
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	–
	2,701,123	928,359

12 TRADE AND LOANS RECEIVABLES

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Restated)
Trade and loans receivables		
Commercial factoring loans *(Note (a))*	**747,594**	737,406
Finance lease receivables *(Note (b))*	**25,923**	49,477
Personal property pawn loans *(Note (c))*	**4,551**	36,875
Real estate-backed loans *(Note (d))*	**–**	80,750
Other trade and loans receivables *(Note (e))*	**26,038**	88,186
	804,106	992,694
Impairment	**(30,292)**	(28,728)
	773,814	963,966

The Directors consider that the fair values of trade and loans 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.

Notes:

(a) Commercial factoring loans arising from the Group's commercial factoring business; the customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan periods range from 30 days to 365 days.

(b) Finance lease receivable arising from the Group's financial leasing business; the customers are obliged to settle the amounts according to the terms set out in the relevant contracts. Most of the loan periods range from 60 days to 365 days.

(c) Personal property pawn loans arising from the Group's pawn loans business; the customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan periods range from 30 days to 240 days.

(d) Real estate-backed loans arising from the Group's real estate-backed loans services; the customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan periods range from 120 days to 365 days.

(e) Other trade and loans receivables arising from the provision of money lending business; the customers are obligated to settle the amounts according to the terms set out in the relevant contracts. The loan periods for other trade and loans receivables range from 60 days to 365 days.

(1) The aged analysis of the trade and loans receivables as at the end of the reporting period is as follows:

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Restated)
Within 3 months	**543,216**	404,202
3-6 months	**197,760**	237,811
6-12 months	**47,651**	253,211
Over 12 months	**15,479**	97,470
	804,106	992,694
Impairment	**(30,292)**	(28,728)
	773,814	963,966

(2) The aged analysis of the trade and loans receivables that are not individually nor collectively considered to be impaired is as follows:

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Restated)
Neither past due nor impaired	**764,598**	852,330
Less than 30 days past due	**–**	88,368
30 to 60 days past due	**–**	–
61 to 120 days past due	**–**	7
More than 120 days past due	**–**	–
	764,598	940,705

(3) The movements in provision for impairment of trade and loans receivables are as follows:

	For the six months ended	
	30 June 2017	30 September 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
At beginning of period	**28,728**	9,982
Impairment loss recognised	**10,459**	7,144
Impairment loss reversed*	**(8,343)**	(2,852)
Bad debts write-off	**(245)**	–
Exchange difference	**(307)**	48
	30,292	14,322

* The Directors considered that the amounts due could not be recovered and impairment has been made in the previous year. During the period, the debtor has made repayment in respect of certain outstanding amount, therefore, the reversal of impairment loss was recognised for the period.

Included in the above provision for impairment of trade and loans receivables is a provision for individually impaired trade and loans receivables of approximately RMB26,488,000 (as at 31 December 2016: approximately RMB22,783,000) with a carrying amount before provision of approximately RMB39,508,000 (as at 31 December 2016: approximately RMB51,989,000).

The individually impaired trade and loans receivables relate to customers that were in financial difficulties or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recovered.

The Group has certain concentration risk on trade and loans receivables as it has five (as at 31 December 2016: five) customers with total outstanding balances of approximately RMB285,437,000 (as at 31 December 2016: RMB322,134,000) as at 30 June 2017, and one (as at 31 December 2016: one) customer contributes more than 10% of trade and loans receivables of the Group.

The Group is not permitted to sell or re-pledge the collateral in the absence of default by the customers.

13 TRADE PAYABLES

The following is an analysis of trade payables by age based on the invoice date.

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000* (Restated)
Within 1 month	**5,664**	18,459
1 to 2 months	**6,321**	2,018
2 to 3 months	**4,300**	1,556
Over 3 months	**8,344**	2,517
	24,629	24,550

As at 30 June 2017 and 31 December 2016, the Group had no trade payables due to related parties.

The trade payables are non-interest-bearing and the Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The carrying amount of trade payables approximates to their fair values.

14 OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its offices under operating lease arrangements, which are negotiated for terms ranging from one to nine years.

At 30 June 2017, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000* (Audited)
Within one year, inclusive	**1,960**	2,617
In the second to fifth years, inclusive	**3,877**	2,605
After five years	**1,628**	2,800
	7,465	8,022

15 COMPARATIVE AMOUNTS

Certain comparative amounts have been restated in the preparation of these interim condensed consolidated financial statements as a result of the common control combination using merger accounting, change in the Group's presentation currency and prior year errors and changes in segment reporting to the interim condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the six months ended 30 June 2017 (the "Reporting Period"), Gome Finance Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") have been actively seeking strategic upgrade in the light of industry changes and committing to the vision of "using innovation to promote the development of technology and using technology to drive financial reform", with an aim to provide high-quality financial services with high efficiency, accuracy and security for its users.

The Group remains positive with the potential opportunities in the PRC commercial factoring and financial leasing markets. It has placed greater effort in expanding its commercial factoring business by exploring new business opportunities in the factoring sector in all-round ways while balancing the growth of new capital and the overall risk. This resulted in a considerable growth in operating revenue of the factoring business. During the Reporting Period, the Group recorded an operating revenue generated from the factoring business of RMB35,152,000, representing an increase of 1,208.71% over the corresponding period last year. Meanwhile, it has actively expanded the financial leasing business by adjusting its deployment in the financial leasing market and completing the acquisition of 100% interest of Tianjin Gome Financial Leasing Company Limited ("Tianjin Financial Leasing") in January 2017. Leveraging on GOME Group's industry chain and the equipment leasing and other equipment supplier resources provided by developers and manufacturers, the Group recorded an operating revenue generated from the financial leasing business of RMB1,555,000 for the Reporting Period, representing an increase of 33.48% over the corresponding period last year.

By taking initiative step to optimise its business structure in response to the changes in the PRC economic situation and economic restructuring, the Group has achieved positive operating results with higher return on loans, allowance coverage ratio and lower non-performing loan ratio.

As a result of the above, the Group recorded profit for the Reporting Period with an operating revenue amounting to RMB40,006,000, representing an increase of 131.84% over the corresponding period last year, while the profit attributable to the owners of the Company amounting to RMB4,015,000.

The management of the Group strongly believes that by accelerating the pace of business layout, the Group will be able to achieve a faster growth in business and better performance in operating results in the future.

INDUSTRY ENVIRONMENT

In the first half of 2017, the global economy continued to improve under the shadow of weak foundation of recovery. The developed economies recovered steadily in general, particularly the US, Eurozone and Japan showed improvements in economies and capital markets. For the emerging economies, China and India continued to lead the growth. The International Monetary Fund has revised the projected growth of world economy in 2017 upward by 0.1 percentage point to 3.5%. However, risks and uncertainties remained as a result of economic imbalances over the course of global recovery and the unlikelihood of structural upsurge. The uprising trade protectionism in the US and some European countries, the Federal Reserve's interest rate hike in mid-June and its plan to start shrinking the balance sheet within this year have caused fluctuation in the exchange market, which in turn posed pressure of triggering the next round of capital outflows from emerging markets. Global debt levels have reached record highs, however, the general market lacks confidence in the solvency and controllability of debt risks. Besides, the threat of terrorist attacks and geopolitical risks also placed higher uncertainties on the recovery of global economy.

In the first half of 2017, the PRC economy showed a positive trend of overall stability with steady progress in its development. Multiple macroeconomic indicators have improved: stable fixed asset investment, faster growth in imports and exports, and moderate increase in household spending, implying further improvements on microeconomics. While the pace of continual optimisation of economic structure shifting from industry-oriented to service-oriented accelerated, the demand structure has been improved gradually and emerging industries such as online shopping were booming. Despite the fact that the PRC economy maintained its steady and positive progress, insufficient overall demand, slow recovery of industry prosperity index and corporate profitability, historically high debt level and difficulties in strictly controlling financial risks indicated that the PRC economy still suffers from relatively heavy downward pressure.

BUSINESS REVIEW

During the Reporting Period, the Group strived to upgrade its business in all aspects. By capitalising on the strong industrial resources of GOME Home Appliance, analysing big data and launching factoring services which the procedures could all be completed online, Gome Xinda Commercial Factoring Limited ("Xinda Factoring"), a subsidiary of the Company, provides highly efficient capital solutions for the upstream small and medium enterprise suppliers of GOME Home Appliance with its core product, "Cloud Account Loan", which is useful in improving capital utilisation efficiency. In the meanwhile, by relying on the experience in analysing data since 2016, Xinda Factoring has been actively exploring new businesses which are not within the business scope of GOME Group and mainly targeting listing companies, in order to provide factoring services for both upstream and downstream enterprises along the industry chain. Currently, Xinda Factoring is engaged in several industries including industrial manufacturing and real estate, and has established a close cooperative relationship with established leading enterprises such as Guangzhou Lonkey, CEFC Shanghai and Greenland Construction. During the period, the Group recorded an operating revenue generated from the factoring business of RMB35,152,000, representing an increase of 1,208.71% over the corresponding period last year.

By completing the acquisition of 100% interest of Tianjin Financial Leasing in January 2017, and with the support of GOME Group's industry chain and the equipment financing and other equipment financial leasing business of developers and manufacturers, the Group has expanded the portfolio of its existing financial products and services. During the Reporting Period, the Group recorded an operating revenue generated from the financial leasing business of RMB1,555,000, representing an increase of 33.48% over the corresponding period last year.

CORPORATE GOVERNANCE

The Group strives to strengthen the enterprise internal control system and constantly enhance the standard of corporate governance. Currently, the Board of the Company consists of three executive Directors, three independent non-executive Directors and one non-executive Director. This structure complies with the requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") that at least one-third of the Directors should be independent Directors to ensure the independence of the Board. Therefore, shareholder opinions are thoroughly deliberated by the Board in a constructive manner before it reaches a consensus.

FINANCIAL REVIEW

Results highlights

The acquisition of Tianjin Financial Leasing took place during the period belongs to business combination under common control. Therefore, the statements of last year's comparable period have been restated and adjusted accordingly so that the period under common control between 5 September 2016 and 30 September 2016 has been included in the restated period of last year's comparable period.

During the Reporting Period, the Group recorded an operating revenue of approximately RMB40,006,000, representing an increase of 131.84% over RMB17,256,000 for the six months ended 30 September 2016 (the "Corresponding Period"). The increase in revenue was mainly attributable to the increase in revenue of both commercial factoring and financial leasing businesses, amounting to approximately RMB32,856,000, as the Group placed emphasis on these two types of services during the Reporting Period. During the Reporting Period, profit attributable to the owners of the Company was approximately RMB4,015,000 (period ended 30 September 2016: loss of RMB6,865,000). The turnaround in the results for the Reporting Period was mainly attributable to the following reasons: (1) the Group recorded investment and bank interest income and exchange gains on the financial assets for the Reporting Period in an aggregate amount of approximately RMB12,635,000 as compared with an amount of approximately RMB102,000 for the Corresponding Period, which was mainly due to the increase in the amount of the financial assets of the Group as a result of the subscription of shares of the Company on 5 September 2016; (2) the Group recorded a loss on disposal of listed securities invested by the Group amounted to approximately RMB5,364,000 for the Corresponding Period, while no such loss was recognised by the Group during the Reporting Period; and (3) an impairment loss of approximately RMB2,116,000 on the

Group's trade and loans receivables was recognised by the Group during the Reporting Period, whereas for the Corresponding Period, an amount of RMB4,292,000 was recognised as impairment loss on the Group's trade and loans receivables. Basic earnings per share for the Reporting Period were RMB0.15 cents (basic loss per share for the six months period ended 30 September 2016: RMB0.74 cents). The Board of the Company did not recommend the payment of an interim dividend for the Reporting Period (six months period ended 30 September 2016: Nil).

In 2016, the presentation currency of the Group's consolidated financial statements was changed to RMB from HKD in order to present a more accurate picture of the Group's financial performance. Therefore, the comparative figures for the six months period ended 30 September 2016 were restated in RMB, and are presented in this announcement for comparison purposes.

Commercial factoring business

The following table sets forth the operating results for the Group's commercial factoring business:

	Six months ended 30 June 2017 *RMB'000*	Six months ended 30 September 2016 *RMB'000*
Revenue	**35,152**	2,686
Operating expenses	**(33,472)**	(2,020)
Operating earnings	**1,680**	666
Reversal of/(charges for) impairment loss on loans receivable	**112**	(1,964)
Segment results	**1,792**	(1,298)

The revenue and operating expenses of commercial factoring business for the Reporting Period increased significantly, which was mainly due to the adjustment of the Group's business strategies with management's attention focusing on the commercial factoring business. With the support of GOME's supply chain network, the Group has stepping up in expanding its external factoring business while implementing risk controlling measures in order to safeguard a healthy growth of business. With the efforts in expanding the commercial factoring business while controlling risks and costs, the commercial factoring business showed a sign of turnaround for the current period.

The Group exercises consistent and objective approach in analysing the loan quality at the end of each reporting period so as to assess whether there is impairment loss on trade and loans receivables, taking into account events such as subsequent settlement, default or delinquency in interest or principal payments, and the financial and credit analysis of each individual debtor or a group of debtors. After such analysis, the Group classifies the loans into five different categories and applies consistent policy for each category in providing for the impairment of trade and loans receivables with reference to the balance of loans receivable, net of any settlement amounts subsequent to the reporting period.

The following table sets forth the distribution of trade and loans receivables of the Group's factoring business by five category loan classification.

	30 June 2017		31 December 2016	
	Gross balance	**Impairment provision**	Gross balance	Impairment provision
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Normal	**742,310**	**3,682**	731,877	3,949
Special mention	**–**	**–**	–	–
Substandard	**–**	**–**	208	52
Doubtful	**–**	**–**	–	–
Loss	**5,284**	**5,284**	5,321	5,321
	747,594	**8,966**	737,406	9,322

Financial leasing business

The following table sets forth the operating results for the Group's financial leasing business:

	Six months ended 30 June 2017	Six months ended 30 September 2016
	RMB'000	*RMB'000*
Revenue	**1,555**	1,165
Operating expenses	**(3,064)**	(2,287)
Operating earnings	**(1,509)**	(1,122)
Reversal of/(charges for) impairment loss on loans receivable	**237**	(433)
Segment results	**(1,272)**	(1,555)

The increase in both revenue and operating expenses of the financial leasing business for the period as compared with that of the Corresponding Period was mainly due to the effect of acquisition of Tianjin Financial Leasing.

The following table sets forth the distribution of trade and loans receivables of the Group's financial leasing business by five category loan classification.

	30 June 2017		31 December 2016	
	Gross balance	**Impairment provision**	Gross balance	Impairment provision
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Normal	**21,989**	**117**	45,394	358
Special mention	**299**	**6**	454	9
Substandard	**–**	**–**	–	–
Doubtful	**4**	**2**	4	2
Loss	**3,631**	**3,631**	3,625	3,625
	25,923	**3,756**	49,477	3,994

Other financing services business

The following table sets forth the operating results for the Group's other financing services business:

	Six months ended 30 June 2017	Six months ended 30 September 2016
	RMB'000	*RMB'000*
Revenue	**3,299**	13,405
Operating expenses	**(3,459)**	(4,953)
Operating earnings	**(160)**	8,452
Charges for impairment loss on loans receivable	**(2,465)**	(1,895)
Segment results	**(2,625)**	6,557

The significant decrease in revenue, operating expenses and segment results of the other financing services business for the period as compared with that of the comparable period was mainly due to the aforesaid adjustment of the Group's core business strategies.

Interest income of other financing services business

The following table shows the composition of interest income of the Group's other financing services business:

	Six months ended 30 June 2017	Six months ended 30 September 2016
	RMB'000	*RMB'000*
Real estate-backed loans	**847**	2,565
Personal property pawn loans	**302**	3,144
Other loans receivables	**2,150**	7,696
Total	**3,299**	13,405

The following table sets forth the distribution of trade and loans receivables of the Group's other financing business by five category loan classification.

	30 June 2017		31 December 2016	
	Gross balance	**Impairment provision**	Gross balance	Impairment provision
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Normal	**–**	**–**	162,980	1,629
Special mention	**–**	**–**	–	–
Substandard	**–**	**–**	38,257	9,209
Doubtful	**26,038**	**13,019**	–	–
Loss	**4,551**	**4,551**	4,574	4,574
	30,589	**17,570**	205,811	15,412

Key operating data of the Group

	Six months ended 30 June 2017 *RMB'000*	Nine months ended 31 December 2016 *RMB'000*
Net loan balance	**773,814**	963,966
Gross loan balance	**804,106**	992,694
– Hong Kong	**26,038**	28,256
– PRC	**778,068**	964,438
Total return on loans (revenue/average gross loan balance)		
– Hong Kong	**11.65%**	9.97%
– PRC	**8.75%**	8.68%
Allowance to loans ratio (impairment allowance as % of gross loan balance)	**3.77%**	2.89%
Non-performing loan ratio (gross non-performing loan balance as % of gross loan balance)	**4.91%**	5.24%
Allowance coverage ratio (impairment allowance as % of gross non-performing loan balance)	**76.67%**	55.25%

As at the end of the Reporting Period, the Group's net loan balance and gross loan balance decreased by RMB190,152,000 (19.73%) and RMB188,588,000 (19.00%) as compared with that at the end of 2016, respectively. Such decrease was primarily due to the fact that the Group adjusted its core business strategies during the Reporting Period which led to a decline in other financing services business, and the trade receivables were recovered when due.

Compared with the end of 2016, the allowance to loans ratio and allowance coverage ratio increased while the non-performing loan ratio decreased for the Reporting Period, which were mainly due to (1) the decrease in gross loan balance of RMB188,588,000 (19.00%) for the Reporting Period as mentioned above; and (2) the decrease in non-performing loan balance of RMB12,480,000 (24.01%) as compared with that at the end of 2016 as a significant part of trade receivables of the other financing services business has been recovered.

Loan quality analysis and impairment allowances

During the Reporting Period, net charges for impairment loss on loans receivable were RMB2,116,000 (period ended 30 September 2016: RMB4,292,000). These included charges for impairment loss on loans receivable of RMB10,459,000 (period ended 30 September 2016: RMB7,114,000), deducting the reversal of impairment loss of RMB8,343,000 (period ended 30 September 2016: RMB2,852,000).

	Six months ended 30 June 2017 *RMB'000*	Six months ended 30 September 2016 *RMB'000*
At beginning of the period	**28,728**	9,982
Impairment allowances recognised	**10,459**	7,144
Reversal of impairment loss	**(8,343)**	(2,852)
Write-off of impairment loss	**(245)**	–
Exchange difference	**(307)**	48
At end of the period	**30,292**	14,322

Other gains and losses

The following table shows the composition of the Group's other gains and losses:

	Six months ended 30 June 2017 *RMB'000*	Six months ended 30 September 2016 *RMB'000*
Fair value losses or changes on financial assets at FVTPL	**–**	(5,364)
Investment income	**1,555**	–
Exchange gain/(loss)	**8,123**	(13)
	9,678	(5,377)

PROSPECTS

Going forward, the Group will actively expand its strategic business coverage in financial technology segment by adhering to the development strategy of "using innovation to promote the development of technology and using technology to drive financial reform". On 7 June 2017, the Group announced an acquisition in respect of a PRC company which possesses the operating license required for conducting third party payment service business. The Group expects to start engaging in third party payment service business in the second half of 2017. The business will complement and integrate the financial services business of the Group. By capitalising on the strategic cooperation with GOME Group, the Group will be able to consolidate all payment channels by connecting the online and offline payment gateways, which will also be applied to other business partners. After the completion of acquisition, the Group will obtain the required license necessary for conducting third party internet payment service business in China which will enable the Group to keep abreast with the industry trend, facilitating further deployment of the Group in the field of internet financing.

In addition, the Group will combine its development strategy with that of the Company and proactively explore opportunities to further perfect its comprehensive financial service system by expanding its big data- and AI-based risk management system, optimising the financial product system and persistently developing new drivers of profit growth.

In response to the increasing competition in every aspect of the industry, the Group will develop new business development model while further reinforcing the existing foundation of business development in order to optimise the business structure and improve its profitability. It will also further reinforce the business monitoring and risk management functions to regulate the development of all business segments and improve the structure of corporate governance. As a result, the Group's integrated financial service capability and core competitiveness in the market will be enhanced, which will in turn facilitate a sustainable, healthy and rapid growth of the Group and create greater value for the shareholders as a whole.

LIQUIDITY AND FINANCIAL RESOURCES

The financial position of the Group is sound with strong equity and working capital bases. As of 30 June 2017, the Group's total equity amounted to RMB1,752,220,000, representing a slight decrease of 2.11% compared with that as of 31 December 2016. As of 30 June 2017, the Group's cash and cash equivalent totaled RMB1,019,854,000 (31 December 2016: RMB789,683,000). During the Reporting Period, the Group recorded a total of RMB246,201,000 (for the six months ended 30 September 2016: RMB13,867,000) cash inflow from its operating activities. The Group's current ratio as of 30 June 2017 was 3.47 (31 December 2016: 3.63). The Group's gearing ratio, expressed as percentage of total liabilities except deferred tax liabilities and tax payable over the Group's total equity was 41.98% as of 30 June 2017 (31 December 2016: 39.41%).

The Company has issued an 8-year corporate bond with principal of HK$35.0 million, which is due in 2022 and 2023 and carries interest at fixed rate of 7.0% per annum with interest payable in arrears. The corporate bond is unsecured and repaid in par on the maturity date.

The Group had no particular seasonal pattern of borrowing. As of 30 June 2017, the Group's borrowings comprised non-current portion (over 1 year) and current portion (within 1 year), which amounted to approximately RMB679,548,000 (31 December 2016: RMB664,660,000). The Group's current borrowings of RMB652,098,000 were made at fixed and floating interest rates. The weighted average effective interest rates on secured and unsecured borrowings for the Reporting Period were 3.698% to 3.915% and 5.5% to 8.2% per annum, respectively.

As of 30 June 2017, the Group's borrowings were denominated in RMB and HKD, amounting to approximately RMB652,098,000 and approximately HK$31,627,000 (equivalent to approximately RMB27,450,000), respectively.

Taking the above into account, together with the available bank balances and cash, the management is confident that the Group will have adequate resources to settle its loans as they fall due and finance its daily operational and capital expenditures.

CAPITAL STRUCTURE

During the Reporting Period, there is no change in the issued capital of the Company and the Company's number of issued ordinary shares remained at 2,701,123,120 as of 30 June 2017.

GROUP STRUCTURE

During the Reporting Period, United Universal Limited, a wholly-owned subsidiary of the Company, acquired 100% interest of Tianjin Gome Financial Leasing Company Limited, a company incorporated in the PRC and engaged in financial leasing business in the PRC.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries during the six months ended 30 June 2017.

On 7 June 2017, Gome Xinda Commercial Factoring Limited ("Xinda Factoring"), an indirect wholly-owned subsidiary of the Company, entered into a loan agreement with Beijing Bosheng Huifeng Business Consulting Co., Limited ("Bosheng Huifeng"), a company incorporated in the PRC with limited liability and is owned as to 90% by Ms. Du Juan (controlling shareholder of the Company) and 10% by Mr. Ding Donghua (Exectuvie Director of the Company), pursuant to which Xinda Factoring agreed to provide a non-interest bearing loan for an amount of RMB720 million to Bosheng Huifeng solely for the purpose to acquire the entire equity interest in Tianjin Guanchuang Mei Tong Electronic Commerce Limited (the "Acquisition"). On the same day, Bosheng Huifeng and independent third parties (the "Sellers) entered into a framework agreement, pursuant to which Bosheng Huifeng and the Sellers agreed, among others, to enter into a conditional sale and purchase agreement for the Acquisition and upon its completion, a series of VIE Contracts is to be entered into such that Xinda Factoring will have effective control over Baosheng Huifeng so as to obtain the economic interests and benefits from its business activities. Tianjin Guanchuang Mei Tong Electronic Commerce Limited and its subsidiaries are principally engages in the prepaid card business, third party internet payment services and related technology development and technical advisory services in the PRC. Further details are set out in the circular of the Company dated 29 June 2017.

The Acquisition was not completed up to the date of this Announcement.

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

As of 30 June 2017, certain Group's bank deposits in the amount of RMB650,342,000 (31 December 2016: RMB665,996,000) were pledged to secure banking facilities of the Group and the Group did not have any material contingent liabilities (31 December 2016: Nil)

COMMITMENTS

As of 30 June 2017, the Group did not have any significant capital commitments. Rental payment under non-cancellable operating leases amounted to approximately RMB7,465,000 (31 December 2016:RMB8,022,000).

TREASURE POLICIES

The Group continued to adopt a conservative treasury policy, with all bank deposits in HKD, RMB, and USD. The Board and management had been closely monitoring the Group's liquidity position, performing ongoing credit evaluations, and monitoring the financial conditions of its customers, in order to ensure the Group's healthy cash position. The Group has not adopted any hedging policy or entered into any derivative products. However, the Board and the management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

STAFF AND REMUNERATION

The Group employed 50 employees in total as of 30 June 2017 (31 December 2016: 90). The Group implemented its remuneration policy, bonus, and share option schemes based on the performance of the Group and its employees. The Group provided benefits such as social insurance and pensions to ensure competitiveness.

Additionally, the Group also adopted a share option scheme as a long term incentive to Directors and eligible employees. The emolument policy for the Group's Directors and senior management was set up by the Company's Remuneration Committee, and gives consideration to the Group's performance, individual performance, and comparable market conditions.

USE OF NET PROCEEDS FROM SUBSCRIPTION OF NEW SHARES

The below table sets out the proposed application of net proceeds from the subscription of new shares on 5 September 2016, and usage up to 30 June 2017:

	Proposed application of net proceeds	Actual usage up to 30 June 2017
	HK$' million	*HK$' million*
Provision of commercial factoring services	700.0	700.0
Provision of financial leasing services	350.0	–
Development and promotion of third party payment service business	380.0	–
Marketing and promotion of financial service business	100.0	–
General working capital	44.5	6.2
	1,574.5	706.2

OTHER INFORMATION

INTERIM DIVIDEND

The Directors do not recommend payment of interim dividend for the six months ended 30 June 2017 (six months ended 30 September 2016: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with all code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2017, except for the deviation of code provisions A.2.1 and A.6.7.

i. Code provision A.2.1

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Chung Tat Fun had assumed the duties of the Chairman of the Board and the chief executive officer ("CEO") of the Company between 1 August 2015 and 7 April 2017. The Board considered that vesting the roles of chairman and CEO in the same person facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation.

Mr. Chung Tat Fun then has stepped down from the positions of CEO and the Chairman of the Board, and Mr. Liu Xiaopeng was appointed as the CEO, both with effect from 7 April 2017. The Board is considering suitable candidate to be elected as the Chairman and shall nevertheless review the structure of the Board from time to time.

ii. **Code provision A.6.7**

Pursuant to code provision A.6.7 of the CG Code, independent non-executive Directors and non-executive Directors should attend general meeting in order to develop a balanced view of the shareholders. Due to the various business commitments, not all the independent non-executive Directors and non-executive Directors of the Company attended the special general meeting of the Company held on 6 February 2017 and the annual general meeting of the Company held on 23 May 2017. The Company will finalize and inform the dates of the general meetings as earliest as possible to make sure that all the independent non-executive Directors and non-executive Directors can attend the general meetings in future.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2017.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 June 2017 was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors or the chief executive of the Company or any of their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2017.

CHANGE OF COMPANY NAME

The change of the English name of the Company from "Sino Credit Holdings Limited" to "Gome Finance Technology Co., Ltd." and the adoption of "國美金融科技有限公司" as the secondary name in Chinese to replace "華銀控股有限公司" which was used for identification purposes were approved by the shareholders of the Company at the special general meeting held on 6 February 2017. The Certificate of Incorporation on Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 24 February 2017. The conditions for the Change of Company Name have therefore been satisfied and the change of the English name of the Company and the adoption of Chinese secondary name became effective on 15 February 2017. The Certificate of Registration of Alternation of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 9 March 2017.

The Board considers that the new name better reflects the current business focus of the Group and its direction of future development.

CHANGE OF COMPANY LOGO

The Company has adoted 国美金融科技 GOME FINTECH as the new logo with effect from 14 March 2017.

AUDIT COMMITTEE

The Company has an Audit Committee, which was established in accordance with Rule 3.21 of the Listing Rules with primary duties of reviewing and providing supervision over the Group's financial reporting process, internal controls and risk assessment. The Audit Committee of the Company comprises three independent non-executive Directors, namely Mr. Hung Ka Hai Clement (Chairman), Mr. Zhang Liqing and Mr. Li Liangwen.

The Audit Committee met with the management and external auditors on 25 August 2017, to review the accounting standards and practices adopted by the Group and to discuss matters regarding internal control and financial reporting including the review of the Group's interim results for the six months ended 30 June 2017, which have been reviewed by the Company's external auditors, before proposing to the Board for approval .

PUBLICATION OF FINANCIAL INFORMATION

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gomejr.com). The Company's interim report for 2017 containing all information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
Gome Finance Technology Co., Ltd
Ding Donghua
Executive Director

Hong Kong, 25 August 2017

As at the date hereof, the executive Directors are Mr. Chung Tat Fun, Mr. Ding Donghua and Mr. Zhang Jun; the non-executive Directors is Ms. Wei Qiuli; and the independent non-executive Directors are Mr. Zhang Liqing, Mr. Li Liangwen and Mr. Hung Ka Hai Clement.