# HUIYIN HOLDINGS GROUP LIMITED
# 匯銀控股集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1178)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2018

## RESULTS

The board (the "Board") of directors (the "Director(s)") of Huiyin Holdings Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2018, together with the comparative figures for 2017, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 30 June 2018*

| | *Notes* | **2018** *HK$'000* | 2017 *HK$'000* |
|---|---|---|---|
| Revenue | *4* | **46,824** | 53,524 |
| Cost of sales | | **(35,772)** | (36,900) |
| Gross profit | | **11,052** | 16,624 |
| Other income | *4* | **6,877** | 4,391 |
| Selling and distribution costs | | **(3,842)** | (3,862) |
| Administrative expenses | | **(50,850)** | (57,090) |
| Other operating expenses | | **(131,269)** | (32,347) |
| Loss from operations | *5* | **(168,032)** | (72,284) |
| Finance costs | *6* | **(278)** | (604) |
| Loss before income tax | | **(168,310)** | (72,888) |
| Income tax credit | *7* | **708** | 1,925 |
| Loss for the year | | **(167,602)** | (70,963) |
| Other comprehensive income/(expense) | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences arising on translation | | **6,670** | (4,770) |
| Total comprehensive expense for the year | | **(160,932)** | (75,733) |

| | Notes | **2018** *HK$'000* | 2017 *HK$'000* |
|---|---|---|---|
| Loss for the year attributable to: | | | |
| Owners of the Company | | **(167,059)** | (70,505) |
| Non-controlling interests | | **(543)** | (458) |
| | | **(167,602)** | (70,963) |
| Total comprehensive expense attributable to: | | | |
| Owners of the Company | | **(160,392)** | (75,262) |
| Non-controlling interests | | **(540)** | (471) |
| | | **(160,932)** | (75,733) |
| Loss per share attributable to owners of the Company | | | |
| Basic and diluted | *9* | **HK(2.85) cents** | HK(1.44) cents |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*As at 30 June 2018*

| | Notes | 2018 HK$'000 | 2017 HK$'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **3,608** | 2,578 |
| Investment properties | *10* | **30,059** | 30,287 |
| Intangible assets | | **9,697** | 14,021 |
| Goodwill | | **3,703** | 3,703 |
| Other receivables | | **24,852** | 30,550 |
| Other assets | *11* | **–** | 110,039 |
| | | **71,919** | 191,178 |
| **Current assets** | | | |
| Inventories | | **9,200** | 19,153 |
| Trade receivables | *12* | **47,009** | 37,446 |
| Loan receivable | | **10,000** | – |
| Deposit, prepayments and other receivables | | **78,278** | 82,466 |
| Cash and bank balances | | **31,178** | 18,069 |
| | | **175,665** | 157,134 |
| **Current liabilities** | | | |
| Trade payables | *13* | **9,039** | 13,181 |
| Trade deposits received | | **8,524** | 8,366 |
| Accrued liabilities and other payables | | **23,515** | 5,700 |
| Amounts due to directors | | **452** | 4,728 |
| Borrowings | | **–** | 16,000 |
| Tax payables | | **188** | 70 |
| | | **41,718** | 48,045 |
| **Net current assets** | | **133,947** | 109,089 |
| **Total assets less current liabilities** | | **205,866** | 300,267 |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | **1,594** | 2,302 |
| **Net assets** | | **204,272** | 297,965 |
| **Capital and reserves** | | | |
| Share capital | *14* | **148,828** | 124,107 |
| Reserves | | **55,204** | 173,078 |
| | | **204,032** | 297,185 |
| **Non-controlling interests** | | **240** | 780 |
| **Total equity** | | **204,272** | 297,965 |

*NOTES:*

## 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which is collective term including all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The measurement base adopted is the historical cost convention except for the revaluation of certain assets and liabilities.

Subsequent to the passing of a special resolution approving the Change of the Company Name by the Shareholders at the Annual General Meeting held on 7 December 2017, the Certificate of Incorporation on Change of Name of the Company was issued by the Registrar of Companies in the Cayman Island on 11 December 2017 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 3 January 2018 certifying that the Company changed its name to Huiyin Holdings Group Limited (formerly known as Share Economy Group Limited) and adopted the Chinese name of "匯銀控股集團有限公司" as the dual foreign name of the Company to replace "共享經濟集團有限公司".

## 2. APPLICATION OF NEW AND REVISED HKFRSs

**Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time:

| | |
|---|---|
| Amendments to HKAS 7 | Disclosure Initiative |
| Amendments to HKAS 12 | Recognition of Deferred Tax Assets for Unrealised Losses |
| Amendments to HKFRS 12 | As part of the Annual Improvements to HKFRSs 2014–2016 Cycle |

*Amendments to HKAS 7 Disclosure Initiative*

The amendments to HKAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The application of the amendments has not had any material effect on the consolidated financial statements.

Except for the above impact, application of the 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 these consolidated financial statements.

**New and revised HKFRSs in issue but not yet effective**

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

| | |
|---|---|
| HKFRS 9 | Financial Instruments[1] |
| HKFRS 15 | Revenue from Contracts with Customers[1] |
| HKFRS 16 | Leases[2] |
| HKFRS 17 | Insurance Contracts[3] |
| HK(IFRIC)-Int 22 | Foreign Currency Transactions and Advance Consideration[1] |
| HK(IFRIC)-Int 23 | HK(IFRIC)-Int 2[3] |
| Amendments to HKAS 19 | Plan Amendment, Curtailment or Settlement[2] |
| Amendments to HKAS 28 | Long-term Interests in Associates and Joint Ventures[2] |
| Amendments to HKAS 40 | Transfers of Investment Property[1] |
| Amendments to HKFRS 2 | Classification and Measurement of Share-based Payment Transactions[1] |
| Amendments to HKFRS 4 | Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1] |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation[2] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4] |
| Amendments to HKFRS 15 | Clarification to HKFRS 15 Revenue from Contracts with Customers[1] |
| Amendments to HKFRSs | Annual Improvement to HKFRSs 2014–2016 Cycle except Amendments to HKFRS 12[1] |
| Amendments to HKFRSs | Annual Improvement to HKFRSs 2015–2017 Cycle[2] |

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
2 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted
3 Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted
4 Effective for annual periods beginning on or after a date to be determined

The Group anticipates that the application of the above new or amended standards have no material impact on the results and the financial position of the Group.

## 3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by the chief operating decision maker for the purposes of resource allocation and performance assessment.

**(a) Segment revenue, results, assets and liabilities**

For the purpose of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Head office and corporate expenses are not allocated to individual segments.

Segment assets and liabilities principally comprise all tangible assets, intangible assets, current assets and current liabilities directly attributable to each segment.

The chief operating decision maker have re-organised the business activities of the Group into seven reportable segments are listed as follows:

(i) BIOenergy products: manufacturing and trading of bedding products, underclothing and body protection accessories containing the BIOenergy compound and multi-functional water generators;

(ii) Healthcare food products: trading of healthcare food products;

(iii) Edible bird's nest products: trading of edible bird's nest products;

(iv) Electronic and Scandium Oxide products: trading of electronic and scandium oxide products;

(v) Honey products: trading of honey products;

(vi) Property investment: rental income; and

(vii) Others: provision of loan financing in Hong Kong and others.

*Business segments*

The following tables present revenue, results and certain assets, liabilities and other segment information for the Group's business segments:

| | **BIOenergy products** | | **Healthcare food products** | | **Edible bird's nest products** | | **Electronic and scandium oxide products** | | **Honey products** | | **Property investment** | | **Others** | | **Consolidated** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| **Revenue:** | | | | | | | | | | | | | | | | |
| Sales to external customers | **13,462** | 29,404 | **5,470** | 5,439 | **2,606** | – | **21,503** | – | **2,965** | 18,538 | **144** | 137 | **674** | 6 | **46,824** | 53,524 |
| **Segment result** | **(402)** | 6,317 | **(1,375)** | (3,911) | **1,228** | – | **694** | – | **(8,754)** | 2,741 | **(1,082)** | (8,403) | **574** | (10,603) | **(9,117)** | (13,859) |
| Unallocated other income | | | | | | | | | | | | | | | **6,877** | 4,391 |
| Unallocated expenses | | | | | | | | | | | | | | | **(165,792)** | (62,816) |
| Loss from operations | | | | | | | | | | | | | | | **(168,032)** | (72,284) |
| Finance costs | | | | | | | | | | | | | | | **(278)** | (604) |
| Loss before income tax | | | | | | | | | | | | | | | **(168,310)** | (72,888) |
| Income tax credit | | | | | | | | | | | | | | | **708** | 1,925 |
| Loss for the year | | | | | | | | | | | | | | | **(167,602)** | (70,963) |

| | BIOenergy products | | Healthcare food products | | Edible bird's nest products | | Electronic and scandium oxide products | | Honey products | | Property investment | | Others | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| **Segment assets** | **24,074** | 46,661 | **2,393** | 20,035 | **48,591** | 8,457 | **15,523** | – | **37,443** | 46,697 | **69,107** | 89,313 | **10,884** | 215 | **208,015** | 211,378 |
| Unallocated assets | | | | | | | | | | | | | | | **39,569** | 136,934 |
| Total assets | | | | | | | | | | | | | | | **247,584** | 348,312 |
| **Segment liabilities** | **14,820** | 6,660 | **493** | 746 | **93** | – | **–** | 7 | **5,827** | 4,975 | **132** | 128 | **–** | – | **21,365** | 12,516 |
| Unallocated liabilities | | | | | | | | | | | | | | | **21,947** | 37,831 |
| Total liabilities | | | | | | | | | | | | | | | **43,312** | 50,347 |
| **Other segment information** | | | | | | | | | | | | | | | | |
| Depreciation | **290** | 307 | **21** | 25 | **–** | – | **84** | – | **72** | 23 | **–** | – | **2** | 3 | **469** | 358 |
| Unallocated amount of depreciation | | | | | | | | | | | | | | | **176** | 79 |
| | | | | | | | | | | | | | | | **645** | 437 |
| Amortisation of intangible assets | **36** | 34 | **4,189** | 4,190 | **–** | – | **–** | – | **–** | – | **–** | – | **15** | 1,123 | **4,240** | 5,347 |
| Provision for obsolete and slow moving inventories | **–** | 65 | **22** | – | **–** | – | **–** | – | **9,225** | – | **–** | – | **–** | 239 | **9,247** | 304 |
| Capital expenditure* | **25** | 306 | **–** | – | **–** | – | **729** | – | **144** | 246 | **–** | – | **–** | – | **898** | 552 |
| Unallocated amounts of capital expenditure | | | | | | | | | | | | | | | **903** | 13 |
| | | | | | | | | | | | | | | | **1,801** | 565 |

* Capital expenditure consists of additions to property, plant and equipment.

**(b) Geographical segments**

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

| | Revenue | | Non-current assets | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Hong Kong | **30,612** | 23,983 | **15,185** | 18,202 |
| PRC | **16,212** | 29,541 | **31,882** | 32,387 |
| | **46,824** | 53,524 | **47,067** | 50,589 |

### (c) Information about major customers

Revenue from customers contributing over 10% of the total sales from trading of products are as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Customer A (Electronic and Scandium Oxide products) | **19,571** | – |
| Customer B (Healthcare food products) | **5,470** | 5,439 |
| Customer C (Honey products) | **N/A*** | 18,538 |
| Customer D (BIOenergy products) | **N/A*** | 16,259 |
| Customer E (BIOenergy products) | **N/A*** | 7,411 |

* Revenue from Customer C, D and E did not contribute over 10% of the current year.

## 4. REVENUE AND OTHER INCOME

### (a) Revenue

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Sales of goods | **46,680** | 53,387 |
| Rental income | **144** | 137 |
| | **46,824** | 53,524 |

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts where applicable; the rental income represents the properties leasing income. All significant intra-group transactions have been eliminated on consolidation.

### (b) Other Income

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interest income | **5,287** | 50 |
| Gain on disposal of property, plant and equipment | **1** | 22 |
| Exchange gain | **–** | 440 |
| Reversal of provision of obsolete and slow moving inventories | **445** | 163 |
| Sales of component materials | **1,042** | 3,054 |
| Others | **102** | 662 |
| | **6,877** | 4,391 |

## 5. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging:

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Auditor's remuneration | | |
| Audit services | **920** | 780 |
| Non-audit services | **210** | 100 |
| Cost of inventories sold | **35,772** | 36,900 |
| Staff costs (including directors' remuneration) | | |
| Wages and salaries | **22,990** | 19,661 |
| Pension scheme contributions | **1,217** | 530 |
| | **24,207** | 20,191 |
| Depreciation of property, plant and equipment | **645** | 437 |
| Amortisation of intangible assets* | **4,240** | 5,347 |
| Operating lease charges in respect of land and buildings# | **5,806** | 5,189 |
| Impairment loss recognised in respect of other receivables* | **4,773** | 3,163 |
| Impairment loss recognised in respect of trade receivables* | **1,120** | 1,925 |
| Impairment loss recognised in respect of intangible assets* | **85** | 6,357 |
| Impairment loss recognised in respect of goodwill* | **–** | 4,838 |
| Loss on written off in respect of other assets* | **110,039** | – |
| Fair value loss on investment properties* | **1,082** | 7,991 |
| Loss on disposal of property, plant and equipment* | **84** | 21 |
| Provision for obsolete and slow moving inventories* | **9,247** | 304 |
| Cost of sales of component materials* | **552** | 2,107 |
| Exchange loss# | **469** | – |

* included in other operating expenses
\# included in administrative expenses

## 6. FINANCE COSTS

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interest on borrowings | **278** | 604 |

## 7. INCOME TAX CREDIT

No provision of Hong Kong Profits Tax has been provided as no assessable profits arising in Hong Kong during the year (2017: Nil). Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof during the year. PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2017: 25%).

| | 2018 | 2017 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Current tax | | |
| PRC Enterprise Income Tax | **–** | – |
| Deferred tax credit | **(708)** | (1,925) |
| | **(708)** | (1,925) |

## 8. DIVIDENDS

No dividend has been paid or declared by the Company during the year presented in these consolidated financial statements (2017: Nil).

## 9. LOSS PER SHARE

The calculation of basic loss per share is based on loss attributable to owners of the Company for the year ended 30 June 2018 of approximately HK$167.06 million (2017: loss of approximately HK$70.51 million) and the weighted average number of 5,863,731,000 (2017: the weighted average number of 4,894,400,000) ordinary shares in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the year ended 30 June 2018 in arriving at diluted loss per share in respect of potential dilution impact of share option as these options had an antidilutive effect on the basic loss per share amount presented.

## 10. INVESTMENT PROPERTIES

| | 2018 | 2017 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| At fair value: | | |
| Balance at beginning of the year | **30,287** | 38,721 |
| Change in fair value recognised in profit or loss | **(1,082)** | (7,991) |
| Exchange realignment | **854** | (443) |
| Balance at end of the year | **30,059** | 30,287 |

All of the Group's investment properties held to earn rental are classified and accounted for as investment properties.

All investment properties are located in PRC with medium lease term.

The fair value of the Group's investment properties as at 30 June 2018 has been arrived at on the basis of a valuation carried out by LCH (Asia Pacific) Surveyors Limited, an independent qualified professional valuer not connected to the Group.

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

The entire amount of fair value measurement of the Group's investment properties is categorised as level 3 hierarchy defined in HKFRS 13.

**Information about level 3 fair value measurements**

| | **Valuation Technique(s)** | **Unobservable input(s)** | **Range** |
|---|---|---|---|
| Investment properties | Direct comparison | Discount on characteristic of the properties | –37.2% to –1.9% |

The fair value of investment properties is determined using direct comparison approach to value these properties in their respective existing states and uses on the market basis assuming sale with immediate vacant possession and by making reference to comparable sales evidence. The valuations take into account the characteristic of the properties which included the location, size, shape, view, floor level, year of completion and others factors collectively. Higher premium for properties with better characteristic will result in a higher fair value measurement.

## 11. OTHER ASSETS

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Other assets | **–** | 110,039 |

References are made to the announcements (the "Announcements") of the company dated 25 April 2016, 3 May 2016, 31 May 2016, 20 July 2016, 30 July 2016, 12 August 2016, 27 September 2017, 26 February 2018, and 21 March 2018.

On 3 May 2016, Vitop Bioenergy Limited (the "Purchaser"), a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with ECrent Holdings Limited (the "Vendor") pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell 100% of the equity interests in ECrent (Hong Kong) Limited and 0.45% of the equity interests in YSK1860 Investment Company Limited (collectively, the "Investment").

As set out in the Announcements, the Company has previously set up a special investigation committee for conducting a review on the investment process made by the former board members of the Company at the material times in relation to the acquisition of the Investment in 2016. The Company has also engaged Ascenda Cachet CPA Limited, an independent certified public accountant, to prepare an investigation report on this matter. After taking into account the findings of the independent investigation report, there are currently no concrete plans for the Group to recover the Investment. As such, the Investment is written off during the year ended 30 June 2018.

## 12. TRADE RECEIVABLES

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **58,581** | 47,751 |
| Less: Accumulated impairment loss | **(11,572)** | (10,305) |
| | **47,009** | 37,446 |

An aging analysis of trade receivables based on the invoice date, is as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0–30 days | **11,691** | 1,290 |
| 31–60 days | **5** | 6 |
| 61–180 days | **34** | 2,062 |
| Over 180 days | **35,279** | 34,088 |
| | **47,009** | 37,446 |

Included in the balances are trade receivables with an aggregate carrying amount of HK$35.28 million (2017: HK$34.09 million) which are past due at the reporting date for which the Group has not provided impairment loss as there has no significant change in credit quality and the amounts are still considered fully recoverable. The Group does not hold any collateral over these balances. No interest is charged on the trade receivables.

Aging of trade receivables which are past due but not impaired:

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0–30 days | **32** | – |
| 31–180 days | **143** | – |
| Over 180 days | **35,138** | 34,088 |
| | **35,313** | 34,088 |

**Movement in the allowance for doubtful debts**

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Balance at the beginning of the year | **10,305** | 8,272 |
| Impairment loss on trade receivables | **1,120** | 1,925 |
| Exchange realignment | **147** | 108 |
| Balance at the end of the year | **11,572** | 10,305 |

## 13. TRADE PAYABLES

The credit terms of trade payables varies according to the terms agreed with different suppliers. The aging analysis of the Group's trade payables as at the end of the reporting period, based on the due date, is as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0–30 days | **792** | 426 |
| 31–60 days | **371** | 264 |
| 61–180 days | **247** | 5,503 |
| Over 180 days | **7,629** | 6,988 |
| | **9,039** | 13,181 |

## 14. SHARE CAPITAL

| | *Notes* | **Number of Shares** | **Amount** *HK$'000* |
|---|---|---|---|
| Authorised: | | | |
| At 1 July 2016, at 30 June 2017, at 1 July 2017 and at 30 June 2018, at HK$0.025 each | | 20,000,000,000 | 500,000 |
| Issued and fully paid: | | | |
| At 1 July 2016 | | 4,456,291,922 | 111,407 |
| Issue of shares pursuant to acquisition of subsidiaries | *a* | 487,992,111 | 12,200 |
| Share option exercises | *b* | 20,000,000 | 500 |
| At 30 June 2017 and at 1 July 2017 | | 4,964,284,033 | 124,107 |
| Placing of new shares | *c* | 988,850,000 | 24,721 |
| At 30 June 2018 | | 5,953,134,033 | 148,828 |

*Notes:*

(a) On 16 August 2016, the Company issued 487,992,111 shares as consideration to acquire entire equity interests in ECrent (Hong Kong) Limited and 0.45% equity interests in YSK 1860 Investment Company Limited.

(b) The share option holder, Mr. Chow Kin Ming, exercised a total number of 20,000,000 ordinary shares at the exercised price of HK$0.145 each on 1 December 2016.

(c) On 12 July 2017, the Company entered into placing agreement with a placing agent for placing an aggregate of 988,850,000 new shares to ultimate beneficial owners at a price of HK$0.07 per placing share. The placing was subsequently completed on 3 August 2017.

## EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The following is the extract of the independent auditor's report from Elite Partners CPA Limited, the external auditor of Huiyin Holdings Group Limited (formerly know as Share Economy Group Limited) (the "Company") on the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2018:

## QUALIFIED OPINION

In our opinion, except for the effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRSs issued by the HKICPA and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR QUALIFIED OPINION

### Opening balances and corresponding figures

The auditor's report on the consolidated financial statements of the Group for the year ended 30 June 2017 ("2017 Financial Statements") contained qualification on the possible effect of the limitations on the scope of the audit in relation to the acquisition of (i) the entire equity interest in ECrent (Hong Kong) Limited; and (ii) 0.45% of equity in YSK 1860 Investment Company Limited ("Qualification"), details of which has been set out in the auditor's report dated 27 September 2017.

As the 2017 Financial Statements formed the basis for the corresponding figures presented in the current year's consolidated financial statements, any adjustment found to be necessary in respect of Qualification would have a significant effect on (i) the opening balances on the consolidated financial position of the Group as at 30 June 2018; (ii) corresponding figures in the consolidated financial statements for the year ended 30 June 2018; and (iii) the related disclosures thereof in the consolidated financial statements of the Group for the year ended 30 June 2018.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## MANAGEMENT DISCUSSION & ANALYSIS

### BUSINESS REVIEW

In the financial year of 2017/18 (the "Year"), Huiyin Holdings Group Limited has been adjusting its business development plan in response to the changing economic environment.

China's and Hong Kong's economies have inevitably been impacted by the intensifying trade frictions between the United States and China. During the Year, the Group recorded declined sales due to slow demand of the BIOenergy products and honey products, resulting in unsatisfactory profitability. Accordingly, the Group has been actively restructuring all underperforming business and commenced to develop a more diversified product portfolio. The Group has been continuously expanding the comparatively profitable business among its existing business segments. Although the Group recorded a net loss of approximately HK$167.60 million for the Year (30 June 2017: approximately HK$70.96 million), it included a one-off expenses of approximately HK$113.14 million associated with incident relating to the Group's acquisition of YSK1860 Investment Company Limited and ECrent (Hong Kong) Limited (the "Acquisition").

One-off expenses associated with the investigation of the Acquisition included the written off of the investment costs of the Acquisition of HK$110.04 million and the legal and professional fee of HK$3.10 million.

### FINANCIAL REVIEW

The Group's consolidated revenue for the Year was approximately HK$46.82 million (30 June 2017: approximately HK$53.52 million), approximately 12.52% lower than the same period of last year. Gross profit decreased to approximately HK$11.05 million (30 June 2017: approximately HK$16.62 million), with a gross profit margin of approximately 23.60%.

#### Selling and distribution costs

Selling and distribution costs for the Year amounted to approximately HK$3.84 million (30 June 2017: approximately HK$3.86 million), representing a decrease of approximately 0.52% or approximately HK$0.02 million as compared to the corresponding year ended 30 June 2017.

#### Administrative expenses

During the Year, administrative expenses, included the one-off legal and professional fee of HK$3.10 million, amounted to approximately HK$50.85 million (30 June 2017: approximately HK$57.09 million), representing a decrease of approximately 10.93% or approximately HK$6.24 million as compared to the corresponding year ended 30 June 2017, which were the result of management restructuring commenced in July 2017.

**Loss for the Year**

The Group's loss for the Year amounted to approximately HK$167.60 million (30 June 2017: loss of approximately HK$70.96 million). The Group's loss was mainly attributed to the restructuring of the underperforming trading business, the Group's strict control on its costs, and one-off expenses associated with the Acquisition.

## CHANGE OF COMPANY NAME

Subsequent to the passing of a special resolution approving the Change of the Company Name by the Shareholders at the Annual General Meeting held on 7 December 2017, the Certificate of Incorporation on Change of Name of the Company was issued by the Registrar of Companies in the Cayman Island on 11 December 2017 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 3 January 2018 certifying that the Company changed its name to Huiyin Holdings Group Limited (formerly known as Share Economy Group Limited) and adopted the Chinese name of "匯銀控股集團有限公司" as the dual foreign name of the Company to replace "共享經濟集團有限公司".

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group employed a total of 79 (30 June 2017: 87) employees, of which 53 (30 June 2017: 61) were working in Mainland China and New Zealand and 26 (30 June 2017: 26) were stationed in Hong Kong. The total salaries (excluding directors' emoluments) for the Year was approximately HK$17.41 million (30 June 2017: approximately HK$11.26 million). Remuneration packages comprises salary, mandatory provident fund, bonus, statutory contributions and medical allowance.

## FOREIGN EXCHANGE RISK AND MANAGEMENT

The majority of the Group's operations are located in Mainland China, and the main operational currencies are Hong Kong Dollars, Renminbi and United States Dollars. The Company is paying regular and active attention to Renminbi exchange rate fluctuations and consistently assess exchange risks.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2018, net current assets of the Group were approximately HK$133.95 million (30 June 2017: approximately HK$109.09 million). The Group's cash and bank balance at that date amounted to approximately HK$31.18 million (30 June 2017: approximately HK$18.07 million), which was mainly denominated in Hong Kong dollars, United States Dollars and Renminbi, and the Group had no borrowings at the end of this Year (30 June 2017: approximately HK$16 million).

As at 30 June 2018, the Group's current ratio and quick ratio were 4.21 (30 June 2017: 3.27) and 3.99 (30 June 2017: 2.87) respectively. The increase in these ratios were mainly due to the increase in liquid working capital through fund raising exercise completed during the Year.

The gearing ratio, total borrowings divided by total assets at the end of each year, was nil as at 30 June 2018 (30 June 2017: 4.59%), the change is due to repayment of borrowings during the Year.

The Group continued to have no structured investment products, foreign exchange contracts and investments in listed shares, bonds and debentures.

It is the Group's policy to adopt a prudent financial management strategy and maintain a suitable level of liquidity to meet operation requirements and to capture acquisition requirements.

## CAPITAL COMMITMENT

During the Year, the Group had no material capital commitments or investment commitments.

The operating lease commitment for the Group as at 30 June 2018 was around HK$3.39 million (30 June 2017: HK$8.87 million).

## FINAL DIVIDEND

The Board has resolved not to declare any final dividend for this reporting year (2017: Nil).

## CONTINGENT LIABILITIES

Neither the Group nor the Company had any significant contingent liabilities at the end of this reporting year.

## PLEDGE OF ASSETS

No assets of the Group was pledged as securities to any third parties as at 30 June 2018 (30 June 2017: Nil).

## EVENT AFTER REPORTING PERIOD

The Company had entered into a strategic cooperation agreement (the "Strategic Cooperation Agreement") with Zhejiang Caogen Network Technology Co., Ltd.* (浙江草根網絡科技有限公司) ("Caogen Network") on 13 July 2018, which was aimed to draw on the strength of respective businesses of the parties, including the traditional loan business that the Company has developed and the experience and advantages accumulated by Caogen Network for years in the industry of integrated internet finance service platform, to create a leading international integrated internet finance service platform. The Strategic Cooperation Agreement was later terminated on 1 August 2018.

On 10 August 2018, the Company had entered into a memorandum of understanding (the "MOU") with Enesoon New Energy (Shenzhen) Company Limited ("Enesoon") pursuant to which both parties agreed to cooperate, among others, in the fields of clean energy technology, development of a low carbon, green environment, energy transformation and the building of ecological civilized cities. The MOU will remain in effect for one month from the date of the MOU (or such later date as the Company and Enesoon may agree in writing).

On 14 August 2018, the memorandum of understanding dated 14 May 2018 and entered into between the Company and Team Eight Group Limited in relation to a possible acquisition of entire shareholding of the Sky Happiness Limited, which is engaged in property investment and owns a property located at 20th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong with a total gross floor area of approximately 4,765 square feet, was lapsed.

On 31 August 2018, the disposal agreement dated 7 May 2018 that the Company entered into with Joyful Sail Limited in relation to the disposal of all issued share of Vitop Manuka Resources Limited ("Disposal Agreement") was lapsed, as the conditions of the Disposal have not been fulfilled by the long stop date and the parties to the Disposal Agreement have not agreed on any further extension of the long stop date. Details of the Disposal agreement and the transactions are set out in the announcements dated 7 May 2018, 29 May 2018, 29 June 2018, 13 August 2018 and 31 August 2018.

## USE OF PROCEEDS FROM PLACING OF NEW SHARES

The Company has received net proceeds of approximately HK$67 million in connection with the placing of new shares completed on 3 August 2018. As of 30 June 2018, all the net proceeds have been fully utilised by the Group as intended for general working capital for the Group's expansion of the existing business.

## FUTURE PROSPECTS

The Group believes that it will continue to face strong head winds in the foreseeable future.

As escalating international trade tensions unfold and China's ongoing reforms to focus on transforming economic development from "high speed" to "high quality", with policies on financial de-leveraging and risk prevention firmly in place, the Chinese economy has slowed down in short term but shall foster a steady and healthy economic growth over the long term.

Under these circumstances, cost cutting measures will be implemented as a priority for improving our operating performances. The Group will also continue to restructure and reorganize its business, adopting measures that are beneficial to the growth of its trading business, constantly enriching the products categories of the Company, expanding its marketing channels and customer bases, while studying the feasibility of promoting new business.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 30 June 2018, there was no purchase, sale or redemption by the Company, or any its subsidiaries, of the Company's listed securities.

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to establish and maintain high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests.

During the year ended 30 June 2018, the Company has applied the principles and complied with the code provisions set out in the Code on Corporate Governance practices (the "Code") contained in Appendix 14 to the Listing Rules, except for the deviations from code provisions A.2.1, A.2.7, A.4.1 and C.1.2 as stated and explained below.

To the best knowledge of the Company, there is no financial, business, family or other material or relevant relationships among members of the Board.

Under Code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the resignation of Mr. Zhou Guohua as the chairman of the Company with effect from 1 December 2017 and during part of the Year, the Company did not appoint any individual to be the chairman of the Company as the Board was still in the process of identifying a suitable candidate. As a result, the functions of the chairman had been performed collectively by the Board for the period from 1 December 2017 to 12 December 2017. The Board considered that this arrangement allowed contributions from all directors with different expertise and was beneficial to the continuity of the Company's policies and strategies. Following Dr. Meng Zhaoyi's appointment as the chairman of the Company with effect from 13 December 2017, the Company has complied with the Code provision A.2.1. Following the resignation of Ms. Meng Xiaoqian as the chief executive officer of the Company with effect from 6 June 2018 and during part of the Year, the Company did not appoint any individual to be the chief executive officer of the Company as the Board was still in the process of identifying a suitable candidate. As a result, the functions of the chief executive had been performed collectively by the Board. The Board considered that this arrangement allowed contributions from all directors with different expertise and was beneficial to the continuity of the Company's policies and strategies.

Under Code provision A.2.7, the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. During the year ended 30 June 2018, a formal meeting could not be arranged between the chairman of the Board and the non-executive Directors (including independent non-executive directors) without the executive Directors present due to their tight schedules. Although such meeting was not held during the Year, the chairman of the Board could be contacted by email or phone to discuss any potential concerns and/or questions that the non-executive Director and the independent non-executive Directors might have and would arrange to set up follow-up meetings, whenever necessary.

Under Code provision A.4.1, non-executive directors should be appointed for a specific term and be subject to re-election. During the year ended 30 June 2018, certain non-executive Directors and independent non-executive Directors were not appointed for a specific term. However, under the articles of association of the Company, one-third of the Directors for the time being shall retire from office by rotation every year at the annual general meeting of the Company provided that every Director shall retire by rotation at least once every three years. Hence the terms of appointment of the non-executive Directors and independent non-executive Directors are limited accordingly.

Code provision C.1.2 provides that management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management keeps providing information and updates to the members of the Board as and when appropriate.

Details of the Company's corporate governance practices shall be set out in the Corporate Governance Report, contained in the 2018 annual report.

## BOARD COMPOSITION

Subsequent to the reporting period, following the resignation of Mr. Chen Zhihua as independent non-executive Director of the Company on 19 July 2018, the Company has two independent non-executive Directors and two Audit Committee members. As a result, the current number of independent non-executive Directors and Audit Committee members falls below the minimum number required under Rule 3.10(1) and Rule 3.21 of the Listing Rules respectively.

The Board is currently identifying suitable candidate to fill the vacancy and will ensure that an additional independent non-executive Director will be appointed as soon as practicable to ensure compliance by the Company with Rules 3.10(1) and 3.21 of the Listing Rules. The Company will release a further announcement as soon as practicable after the appointment of the new independent non-executive Director.

## MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry of all Directors that they have fully complied with the required standard set out in the Model Code for the year ended 30 June 2018.

## REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed the audited annual results of the Group for the year ended 30 June 2018.

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

## SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial positions, consolidated statement of profit or loss and other comprehensive income and the related notes for the year ended 30 June 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statement for the Year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

## PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website and the website of the Company. The Company's 2018 Annual Report will be available at the same websites and will be dispatched to the Company's shareholders in due course.

## MEMBERS OF THE BOARD

As at the date of this announcement, the Board comprises Mr. Wong Kui Shing, Danny, Ms. Christina Chan and Ms. Shi Yanxin as executive Directors; Mr. Xiao Liang as non-executive Director; and Ms. Wong Chi Yan and Mr. Chan Wai Kit as independent non-executive Directors.

By Order of the Board
**Huiyin Holdings Group Limited**
**Shi Yanxin**
*Executive Director*

Hong Kong, 27 September 2018