華銀控股有限公司
SINO CREDIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 628)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

The board (the "Board") of directors (the "Directors") of Sino Credit Holdings Limited (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 September 2016 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").

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2016-Unaudited

	Note	**2016**	2015
		HK$'000	HK$'000
			(Restated)
Continuing operations			
Revenue	4	**19,877**	12,253
Other income	4	**60**	30
Other gains and losses, net	4	**(2,964)**	2,383
Administrative expenses		**(19,247)**	(12,568)
Impairment loss on loans receivable	10	**(3,334)**	(1,734)
Finance costs	5	**(1,538)**	(4,312)
Loss before taxation		**(7,146)**	(3,948)
Taxation	6	**-**	(53)
Loss for the period from continuing operations	7	**(7,146)**	(4,001)
Discontinued operation			
Profit for the period from discontinued operation		**-**	5,199
(Loss)/profit for the period attributable to owners of the Company		**(7,146)**	1,198
Other comprehensive expense:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**(15,961)**	(15,427)
Total comprehensive loss for the period attributable to owners of the Company		**(23,107)**	(14,229)
(Loss)/earnings per share			
From continuing & discontinued operations			
Basic and diluted	8	**(0.78) HK cents**	0.19 HK cents
From continuing operations			
Basic and diluted	8	**(0.78) HK cents**	(0.63) HK cents

Condensed Consolidated Statement of Financial Position

As at 30 September 2016-Unaudited

	Note	As at 30 September 2016 HK$'000 (Unaudited)	As at 31 March 2016 HK$'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**30,444**	19,165
Intangible assets		**5,588**	5,588
Goodwill		**7,148**	7,148
Deferred tax assets		**2,994**	2,994
		46,174	34,895
Current assets			
Financial assets at fair value through profit or loss		**-**	28,059
Loans receivable	10	**379,960**	436,407
Prepayments, deposits and other receivables		**18,224**	6,410
Promissory note receivable		**30,000**	30,000
Cash and cash equivalents		**1,618,323**	23,959
		2,046,507	524,835
Liabilities			
Current liabilities			
Trade payables		**4,205**	2,574
Accruals and other payables		**3,793**	22,541
Tax payables		**1,949**	3,443
		9,947	28,558
Net current assets		**2,036,560**	496,277
Total assets less current liabilities		**2,082,734**	531,172
Non-current liabilities			
Bonds		**31,291**	31,078
Deferred tax liabilities		**1,397**	1,397
		32,688	32,475
Net assets		**2,050,046**	498,697
Capital and reserves			
Share capital	11	**270,112**	63,478
Reserves		**1,779,934**	435,219
Total equity		**2,050,046**	498,697

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2016-Unaudited

	Attributable to owners of the Company									
	Share capital	**Share premium**	**Contributed surplus**	**Capital reserves**	**Revaluation reserves**	**Share option reserves**	**Exchange reserves**	**Accumulated losses**	**Total reserves**	**Total Equity**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
At 1 April 2015	63,478	908,038	569,044	85,889	638	23,357	(839)	(1,150,127)	436,000	499,478
Profit for the period	-	-	-	-	-	-	-	1,198	1,198	1,198
Other comprehensive loss for the period	-	-	-	-	-	-	(15,427)	-	(15,427)	(15,427)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(15,427)	1,198	(14,229)	(14,229)
Share option lapsed	-	-	-	-	-	(2,273)	-	2,273	-	-
At 30 September 2015	63,478	908,038	569,044	85,889	638	21,084	(16,266)	(1,146,656)	421,771	485,249
At 1 April 2016	63,478	908,038	569,044	85,889	638	21,084	(5,526)	(1,143,948)	435,219	498,697
Loss for the period	-	-	-	-	-	-	-	(7,146)	(7,146)	(7,146)
Other comprehensive loss for the period	-	-	-	-	-	-	(15,961)	-	(15,961)	(15,961)
Total comprehensive loss for the period	-	-	-	-	-	-	(15,961)	(7,146)	(23,107)	(23,107)
Subscription of shares	206,634	1,384,450	-	-	-	-	-	-	1,384,450	1,591,084
Cost of issuance of subscription shares	-	(16,628)	-	-	-	-	-	-	(16,628)	(16,628)
At 30 September 2016	**270,112**	**2,275,860**	**569,044**	**85,889**	**638**	**21,084**	**(21,487)**	**(1,151,094)**	**1,779,934**	**2,050,046**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2016 - Unaudited

	2016	2015
	HK$'000	HK$'000
Net cash generated from operating activities	**29,239**	378
Net cash generated from /(used in) investing activities	**6,668**	(18,982)
Net cash generated from financing activities	**1,574,456**	10,000
Net increase/(decrease) in cash and cash equivalents	**1,610,363**	(8,604)
Cash and cash equivalents at beginning of period	**23,959**	26,426
Effect of foreign exchange rate changes	**(15,999)**	(1,710)
Cash and cash equivalents at end of period	**1,618,323**	16,112

Notes To Condensed Consolidated Interim Financial Statements

1 BASIC OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange").The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 March 2016,which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The condensed consolidated interim financial information was approved for issue on 24 November 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the current period, the Group has adopted all the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA that are relevant to its operations and effective for the periods on or after 1 April 2016. The application of the new HKFRSs has no material impact on the condensed consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases [4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle [2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 7	Disclosure Initiative[5]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]

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

2 Effective for annual periods beginning on or after 1 January 2016

3 Effective for annual periods beginning on or after a date to be determined

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

5 Effective for annual periods beginning on or after 1 January 2017

3 SEGMENT INFORMATION

Management has determined the operating segments 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 perspectives. Summary of details of the operating segments is as follows:

Continuing operations

- **Financing services**
  Provision of pawn loans services, real estate-backed loan service, other loan service, commercial factoring, finance leasing and financial consultancy services in the PRC, and money lending service in Hong Kong.

Discontinued operation

- **Properties leasing**
  Receiving profit streams from leasing retail premises in PRC.

(a) Business segments

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information for the six months ended 30 September 2016 and 2015 by operating segments is as follows:

	Continuing operations Financing services		Discontinued operation Properties leasing		Total	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue (from external customers)	**19,877**	12,253	-	14,750	**19,877**	27,003
Segment results	**3,957**	375	-	5,161	**3,957**	5,536
Fair value changes on financial assets at FVTPL					**(6,292)**	1,675
Bank interest income					**13**	31
Finance costs					**(1,439)**	(1,303)
Unallocated expenses					**(3,385)**	(4,726)
(Loss)/profit before taxation					**(7,146)**	1,213
Taxation					-	(15)
(Loss)/profit for the period					**(7,146)**	1,198

Segment results represents the (loss)/profit earned by each segment without allocation of fair value changes on financial assets at fair value through profit or loss ("FVTPL"), finance income, finance costs and corporate expenses. This is the measure reported to the Directors for the purpose of resource allocation and assessment of segment performance.

	Continuing operations Financing services		Discontinued operation Properties leasing		Total	
	As at 30 September 2016 HK$'000	As at 31 March 2016 HK$'000	**As at 30 September 2016 HK$'000**	As at 31 March 2016 HK$'000	**As at 30 September 2016 HK$'000**	As at 31 March 2016 HK$'000
Segment assets	**2,092,554**	499,406	**-**	-	**2,092,554**	499,406
Financial assets at FVTPL					**-**	28,059
Unallocated assets					**127**	32,265
Total assets					**2,092,681**	559,730
Segment liabilities	**39,619**	58,378	**-**	-	**39,619**	58,378
Unallocated liabilities					**3,016**	2,655
Total liabilities					**42,635**	61,033

Other segment information:

	Continuing operations Financing services		Discontinued operation Properties leasing		Unallocated items		Total	
	2016 HK'000	2015 HK'000	**2016 HK'000**	2015 HK'000	**2016 HK'000**	2015 HK'000	**2016 HK'000**	2015 HK'000
Depreciation	**3,889**	1,238	-	-	**4**	4	**3,893**	1,242
Impairment loss on loans receivable	**3,334**	1,734	-	-	-	-	**3,334**	1,734
Fair value change on investment properties	-	-	-	1,025	-	-	-	1,025
Reversal of impairment loss recognized on loans receivable	**(3,344)**	(708)	-	-	-	-	**(3,344)**	(708)

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

- All assets are allocated to reportable segments other than financial assets at FVTPL, promissory note receivable and corporate financial assets ;
- All liabilities are allocated to reportable segments other than corporate financial liabilities.

(b) Geographical information

The Group operates in two principal areas – the PRC and Hong Kong. Revenue and non-current assets by location from continuing operations are detailed below:

	Revenue from external customers		Non-current assets	
	Six months ended 30 September		As at 30 September	As at 31 March
	2016	2015	**2016**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**1,265**	3,253	**1,423**	1,898
PRC	**18,612**	9,000	**44,751**	32,997
	19,877	12,253	**46,174**	34,895

4 REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

Continuing operations

	Six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
Revenue		
Real estate-backed loan interest income	**3,211**	2,053
Personal property pawn loan interest income	**3,510**	1,789
Other loans interest income	**7,619**	3,440
Financial consultancy service income	**66**	241
Commercial factoring interest income	**3,489**	3,804
Financing lease interest income	**1,982**	926
	19,877	12,253
Other income		
Bank interest income	**34**	28
Others	**26**	2
	60	30
Other gains and losses, net		
Reversal of impairment loss on loans receivable	**3,344**	708
Net unrealised gain on financial assets at fair value through profit or loss	**-**	1,675
Net realised loss on financial assets at fair value through profit or loss	**(6,292)**	-
Exchange loss	**(16)**	-
	(2,964)	2,383

5 FINANCE COSTS

Continuing operations

	Six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
Interest on:		
Borrowings	**99**	3,009
Bonds	**1,439**	1,303
	1,538	4,312

6 TAXATION

Continuing operations

	Six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
Current income tax		
-PRC	**-**	4,039
Deferred tax	**-**	(4,092)
Taxation	**-**	(53)

PRC corporate income tax is provided for at the rate of 25% (2015: 25%) on the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising from Hong Kong during the period. The Group has no assessable profit under Hong Kong profits tax for the period ended 30 September 2016 and 2015.

7 (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is arrived at after charging:

Continuing operations

	Six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
Staff costs		
Salaries, wages and other benefits(including directors' emoluments)	**4,436**	4,563
Retirement benefit contributions	**211**	184
	4,647	4,747
Business taxes and other levies	**117**	438
Depreciation of property, plant and equipment	**3,893**	1,242
Legal and professional fee	**1,585**	1,577
Minimum lease payments under operating leases in respect of land and buildings	**1,911**	2,035

8 (LOSS)/EARNINGS PER SHARE

Continuing and discontinued operations

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

	Six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
(Loss)/profit		
(Loss)/profit for the purpose of (loss)/earnings per share	**(7,146)**	1,198

	2016	2015
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) /earnings per share (in thousand shares)	**917,068**	634,780
Weighted average number of ordinary shares for the purpose of diluted (loss) /earnings per share (in thousand shares)	**917,068**	641,148

Continuing operations

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

	Six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
(Loss)/profit		
Group's (loss)/profit attributable to the owners of the Company	**(7,146)**	1,198
Less: Profit for the period from discontinued operation	**-**	(5,199)
Loss for the purpose of loss per share from continuing operations	**(7,146)**	(4,001)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

Discontinued operation

Basic earnings per share from discontinued operation is nil cents per share (2015: 0.82 HK cents per share) and diluted earnings per share from the discontinued operation is nil cents per share (2015: 0.81 HK cents per share), based on the profit for the period from the discontinued operation of HK$Nil (2015: HK$5,199,000) and the denominators detailed above for both basic and diluted earnings per share.

For the period ended 30 September 2016, the effects of the Company's outstanding share options were anti-dilutive and therefore the diluted loss per share are the same as the basic loss per share.

9 DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2016 and 2015.

10 LOANS RECEIVABLE

	As at 30 September 2016 HK$'000	As at 31 March 2016 HK$'000
Real estate-backed loans receivable	**94,193**	34,743
Personal property pawn loans receivable	**48,585**	76,953
Commercial factoring receivable	**112,794**	17,042
Financing lease receivable	**36,368**	24,580
Other loans receivable	**99,661**	295,069
	391,601	448,387
Less: Provision for impairment loss	**(11,641)**	(11,980)
	379,960	436,407

Based on the loan commencement date set out in the relevant contracts, aging analysis of the Group's loans receivable as of each reporting date is as follows:

	As at 30 September 2016 HK$'000	As at 31 March 2016 HK$'000
Within 3 months	**154,944**	65,549
3-6 months	**165,046**	291,804
6-12 months	**45,240**	10,713
Over 12 months	**26,371**	80,321
	391,601	448,387
Less: Provision for impairment loss	**(11,641)**	(11,980)
	379,960	436,407

Aging analysis of the loans receivable that were neither past due nor impaired is as follows:

	As at 30 September 2016	As at 31 March 2016
	HK$'000	HK$'000
Within 3 months	**153,412**	65,019
3-6 months	**163,396**	288,888
6-12 months	**44,787**	10,535
Over 12 months	**18,365**	71,965
	379,960	436,407

Loans receivable which were neither past due nor impaired related to a wide range of customers for whom there was no recent history default.

Movements in the impairment loss of the loans receivable during the period are as follows:

	Six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
At 1 April	**(11,980)**	(7,218)
Impairment loss recognized on loans receivable	**(3,334)**	(1,734)
Reversal of impairment loss	**3,344**	708
Exchange alignment	**329**	120
At 30 September	**(11,641)**	(8,124)

11 SHARE CAPITAL

		Number of shares '000	Share capital HK$'000
Authorized:			
Ordinary shares of HK$0.1 each as at 1 April 2015, 30 September 2015, 1 April 2016 and 30 September 2016		**6,000,000**	**600,000**
Issued and fully paid:			
Ordinary shares of HK$0.1 each as at 31 March 2015,1 April 2015 and 31 March 2016		634,780	63,478
Issue of subscription shares	Note	2,066,343	206,634
Ordinary shares of HK$0.10 each as at 30 September 2016		**2,701,123**	**270,112**

Note:

On 29 November 2015, the Company entered into three Subscription agreements ("Subscription Agreements") with Swiree Capital Limited ("Swiree"), Richlane Ventures Limited ("Richlane") and Best Global Ventures Limited ("Best Global") (collectively, referred to as the "Subscribers). Pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 2,066,342,340 ordinary share of the Company ("Subscription Shares") at an issue price of HK$0.77 per Subscription Share to the Subscribers in an aggregate amount of HK$1,591.1 million. All conditions precedent in respect of the Subscription Agreements have been fulfilled and completions of each of the Swiree Subscription, the Richlane Subscription and the Best Global Subscription took place on 5 September 2016. Upon completion, 2,066,342,340 Subscription Shares have been duly allotted and issued as fully paid to the Subscribers, among which 1,653,073,872 Subscription Shares were issued to Swiree, 275,512,312 Subscription Shares were issued to Richlane, and 137,756,156 Subscription Shares were issued to Best Global. Accordingly, immediately after Completion, there are 2,701,123,120 Shares in issue.

After deducting the expenses in connection with the transaction amounting to HK$16.6 million, the net proceeds from the subscription were HK$1,574.5 million. Details of the issuance of subscription shares and the use of proceeds have been disclosed in the Company's circular dated 5 August 2016.

12 COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been reclassified to conform to current period presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Following the completion of subscription of new shares of the Company by Swiree, Richlane and Best Global on 5 September 2016, and currently Swiree held 61.20% of total issued shares of the Company. The Company raised additional fund from the subscriptions which improved its financial position and liquidity as well as provide the Group with the financial flexibility to develop its financial services business. The development strategy of the Group subsequent to the completion of the subscription was set out in the circular dated 5 August 2016. The Group will continue to provide financial services especially focus on commercial factoring and financial leasing business segments by establishing a strategic partnership with GOME, Group.

FINANCIAL REVIEW

The Group's consolidated revenue generated from continuing operations of financial services business for the six months ended 30 September 2016 were approximately HK$19.9 million (2015: HK$12.3 million), an increase of 62.2% compared to the same period of last year. The increase in revenue is mainly attributable to the increase interest income from the real estate-backed loan, personal property pawn loan, financing leasing and other loans services. Loss attributable to the owners of the Company for the six months ended 30 September 2016 was approximately HK$7.1 million (2015: profit HK$1.2 million, of which profit of HK$5.2 million was attributed from discounted operation). The net loss is primarily due to the disposal of the listed securities that the Group had invested in which resulted in a net realised loss of HK$6.3 million during the period (2015: unrealized gain HK$1.7 million). Basic loss per share was 0.78 HK cents (2015: basic earnings per share 0.19 HK cents).

The following table sets forth the Group operating results of financial services business

(HK$'000)	**30.9.2016**	30.9.2015	Change
Revenue	**19,877**	12,253	*62.2%*
Operating expenses	**(15,831)**	(7,843)	*101.8%*
Finance costs	**(99)**	(3,009)	*-96.7%*
Operating earnings	**3,947**	1,401	*181.7%*
Charged for impairment loss on loans receivable	**(3,334)**	(1,734)	*92.3%*
Reversal of impairment loss on loans receivable	**3,344**	708	*372.3%*
Operating earnings before tax	**3,957**	375	*955.2%*

Financial services income

The following table sets forth the composition of financial services income of the Group.

(HK$'000)	**30.9.2016**	30.9.2015	Change
Real estate-backed loan	**3,211**	2,053	*56.4%*
Personal property pawn loan	**3,510**	1,789	*96.2%*
Financing leasing	**1,982**	926	*114.0%*
Commercial factoring	**3,489**	3,804	*-8.3%*
Other loans interest income	**7,619**	3,440	*121.5%*
Financial consultancy service income	**66**	241	*-72.6%*
Total	**19,877**	12,253	*62.2%*

Key operating data

(HK$'000)	**30.9.2016**	31.3.2016	Change
Net loan balance	**379,960**	436,407	*-12.9%*
Gross loan balance	**391,601**	448,387	*-12.7%*
-Hong Kong	**30,600**	59,343	*-48.4%*
-PRC	**361,001**	389,044	*-7.2%*
Total return on loans (revenue/average gross loan balance)			
-Hong Kong	**10.45%**	10.40%	
-PRC	**9.61%**	12.00%	
Impairment allowance as % of gross loan balance	**3.0%**	2.7%	

Impairment allowances

During the period, net credit for impairment allowances were HK$10,000 (2015: net charges HK$1.0 million). These included reversal of impairment loss of HK$3.3 million (2015: HK$0.7 million) as well as the charges arising from the impairment allowance amounted to HK$3.3 million (2015: HK$1.7 million).

(HK$'000)	**30.9.2016**	30.9.2015
At beginning of the period	**(11,980)**	(7,218)
Charges to impairment allowance	**(3,334)**	(1,734)
Reversal of impairment loss	**3,344**	708
Exchange alignment	**329**	120
At end of the period	**(11,641)**	(8,124)

Loan quality analysis and impairment allowances

The following table sets forth the distribution of the Group's loans by the five category loan classification. Impairment allowances include substandard, doubtful and loss categories were HK$11.6 million (31.3.2016: HK$12.0 million). The impairment allowance as % of gross loan balance was 3.0% (31.3.2016:2.7%).

(HK$'000)	**30.9.2016**	31.3.2016
Normal	**375,684**	431,020
Substandard	**8,276**	9,472
Doubtful	**3,619**	3,739
Loss	**4,022**	4,156
Gross loan balance	**391,601**	448,387
Less: impairment allowances	**(11,641)**	(11,980)
Net loan balance	**379,960**	436,407

Other gains and losses, net

The following table sets forth the composition of other gains and losses, net.

(HK$'000)		**30.9.2016**	30.9.2015	Change
Reversal of impairment loss on loans receivable		**3,344**	708	*372.3%*
Net unrealised gain on financial assets at fair value through profit or loss	(a)	**-**	1,675	*-100.0%*
Net realised loss on financial assets at fair value through profit or loss	(b)	**(6,292)**	-	*100.0%*
Exchange loss		**(16)**	-	*-100.0%*
		(2,964)	2,383	*-224.3%*

(a) Net unrealised gain on financial assets at fair value through profit or loss

Stock Name	Code	Number of shares	As at 30 September 2015 Market value	As at 31 March 2015 Market value	For the six months end 30 September 2015 Net unrealised gain
		'000	HK$'000	HK$'000	HK$'000
Reorient Group Limited	0376	1,368	13,680	7,305	6,375
China New Town Development Company Limited	1278	4,000	1,160	1,380	(220)
Lajin Entertainment Network Group Limited	8172	3,000	3,450	3,900	(450)
Huayi Tencent Entertainment Company Limited	0419	11,600	7,308	8,120	(812)
Brockman Mining Limited	0159	40,220	6,636	9,854	(3,218)
			32,234	**30,559**	**1,675**

(b) Net realised loss on financial assets at fair value through profit or loss

Stock Name	Code	Number of shares	For the six months end 30 September 2016 Realised value	As at 31 March 2016 Market value	For the six months end 30 September 2016 Net realised loss
		'000	HK$'000	HK$'000	HK$'000
Reorient Group Limited	0376	1,368	8,345	8,194	151
China New Town Development Company Limited	1278	4,000	1,340	1,140	200
Lajin Entertainment Network Group Limited	8172	3,000	1,590	2,490	(900)
Huayi Tencent Entertainment Company Limited	0419	11,600	6,148	11,368	(5,220)
Brockman Mining Limited	0159	40,220	4,344	4,867	(523)
			21,767	**28,059**	**(6,292)**

The realized loss on financial assets is due to the disposal of the listed securities that the Group had invested in which resulted in a net loss of approximately HK$6.3 million. The Group recorded a gain of approximately HK$1.7 million for the six months ended 30 September 2015 resulting from an increase fair value of the listed securities.

PROSPECTS

With the completion of acquisition of GOME Xinda Commercial Factoring Company (GOME Xinda) in October 2016, we believes that it may enable the Group to expand the clientele of its growing commercial factoring segment by tapping into the strong sourcing supplier network of the GOME Group and by developing and rolling out a series of supplier-oriented factoring finance and credit services. In addition, we will develop its financial leasing segment by capitalizing on the PRC government's economic reform policy and the GOME Group's strong customer network across the PRC by designing appropriate products to different groups of customers and promote its financial services products and solutions to selected customers of the GOME Group. Working with the GOME Group represents a major step of the Group in significantly expanding its existing financial services business. The Group expects that it will then be able to leverage its experience gained from its cooperation with the GOME Group and target other supply and distribution chain financing opportunities in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES

Financial position of the Group was strengthened with the subscription of new shares during the reporting period. As at 30 September 2016, the Group had total assets of approximately HK$2,092.7 million (31 March 2016: HK$559.7 million), and total liabilities of approximately HK$42.6 million (31 March 2016: HK$61.0 million). Equity attributable to owners of the Company was approximately HK$2,050.0 million (31 March 2016: HK$498.7 million). The Group's gearing ratio, expressed as a percentage of total liabilities except deferred tax liabilities and tax payable over owner's equity was 2.01% (31 March 2016: 11.3%). At 30 September 2016, the cash and cash equivalents of the Group amounted to approximately HK$1,618.3 million (31 March 2016: HK$24.0 million). The Group's current ratio was 205.7 (31 March 2016: 18.4).

The Group has issued 8-year corporate bond with principal of HK$35.0 million which is due on 2023, and carry interest at fixed rate of 7.0% per annum with interest payable semi-annually in arrears. The corporate bond is unsecured.

CAPITAL STRUCTURE

On 29 November 2015, the Company entered into three Subscription agreements ("Subscription Agreements") with Swiree Capital Limited ("Swiree"), Richlane Ventures Limited ("Richlane") and Best Global Ventures Limited ("Best Global") (collectively, referred to as the "Subscribers). Pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 2,066,342,340 ordinary share of the Company ("Subscription Shares") at an issue price of HK$0.77 per Subscription Share to the Subscribers in an aggregate amount of HK$1,591.1 million. All conditions precedent in respect of the Subscription Agreements have been fulfilled and completions of each of the Swiree Subscription, the Richlane Subscription and the Best Global Subscription took place on 5 September 2016. Upon completion, 2,066,342,340 Subscription Shares have been duly allotted and issued as fully paid to the Subscribers, among which 1,653,073,872 Subscription Shares were issued to Swiree, 275,512,312 Subscription Shares were issued to Richlane, and 137,756,156 Subscription Shares were issued to Best Global. Accordingly, immediately after Completion, there are 2,701,123,120 shares in issue.

After deducting the expenses in connection with the transaction amounting to HK$16.6 million, the net proceeds from the subscription were HK$1,574.5 million. Details of the issuance of subscription shares and the use of proceeds have been disclosed in the Company's circular dated 5 August 2016.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group did not have any material acquisitions and disposals of subsidiaries and associates during the six months ended 30 September 2016.

CHARGES ON GROUP ASSETS

As at 30 September 2016, none of the Group's assets were pledged to any financial institution for facilities.

CONTINGENT LIABILITIES

As at 30 September 2016, the Group had no significant contingent liabilities.

COMMITMENTS

As at 30 September 2016, the Group did not have any significant capital commitments. Rental payment under non-cancellable operating leases amounted to approximately HK$2.8million.

FOREIGN EXCHANGE EXPOSURE

The Group is mainly exposed to the fluctuation of Hong Kong dollars ("HK$") against Renminbi ("RMB") as its reporting currency is HK$ which is not the functional currency of the business operation of the Group. The Group has not adopted any hedging policy or entered into any derivative products. However, the Board and management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

TREASURY POLICIES

The Group continues to adopt a conservative treasury policy with all bank deposits in HK$ and RMB. The Board and the management had been closely monitoring the Group's liquidity position and performing ongoing credit evaluation and financial conditions of its customers in order to ensure the healthy cash position of the Group.

STAFF AND REMUNERATION

As at 30 September 2016, the Group had a total of 35 staff (31 March 2016: 39). Total staff costs during the period amounted to approximately HK$4.6 million (2015: HK$4.7 million). Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the Remuneration Committee and the Board on a regular basis. As an incentive for the employees, bonuses and share options may also be given to employees based on individual performance evaluation.

USE OF NET PROCEEDS FROM SUBSCRIPTION SHARES

The proceeds from subscription shares as disclosed in Note 11 have been utilized subsequent to the subscription as set out in the section "Use of Proceeds" of the Company's circular dated 5 August 2016. There is no any actual use of proceeds up to 30 September 2016 as the completion of subscription on 5 September 2016. The below table sets out the proposed application of net proceeds and usage up to 30 September 2016:

	Proposed applications of net proceeds HK$'million	**Actual usage up to 30 September 2016 HK$'million**
Provision of commercial factoring services		
- to GOME suppliers (Connected loans)	350.0	-
- to general customers (Unconnected loans)	350.0	-
Provision of financial leasing services		
- to GOME suppliers (Connected loans)	200.0	-
- to general customers (Unconnected loans)	150.0	-
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	-
	1,574.5	-

EVENTS AFTER THE REPORTING PERIOD

On 18 February 2016, the Group entered into an agreement with GOME Finance Holding Investment Co., Ltd. (GOME Finance), pursuant to which GOME Finance agreed to sell, and the Group agreed to purchase, the entire equity interests in GOME Xinda at a cash consideration of RMB49.7 million. The transaction completed on 19 October 2016. GOME Xinda is providing commercial factoring services to clients in the PRC. Details of the acquisition have been disclosed in the Company's announcement dated 19 February 2016.

OTHER INFORMATION

INTERIM DIVIDEND

The Directors do not recommend payment of interim dividend for the six months ended 30 September 2016 (2015: 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 September 2016, except for the deviation of code provisions A.2.1 and A.4.1.

i. Code provision A.2.1

According to code provision A.2.1 of the CG Code, the role of chairman and chief executive should be separate.

Mr. Chung Tat Fun, the chairman of the Company, has been undertaken the duties of the chief executive officer ("CEO") since 1 August 2015. 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. The Board also considered that there is a sufficient balance and division of responsibilities and authority.

ii. Code provision A.4.1

According to code provision A.4.1 of the CG Code, the non-executive directors should be appointed for a specific term, subject to re-election.

Ms. Lee Shiow Yue, Mr. Poon Wai Hoi, Percy and Mr. Tang Chi Ho, Francis being the independent non-executive Directors who have resigned on 31 October 2016, were not appointed for a specific term but were subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company and their appointment would be reviewed when they were due for re-election.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers 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 September 2016.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Period 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 September 2016.

MAJOR LITIGATION AND ARBITRATION PROCEEDINGS

The Group had no major litigation or arbitration during the six months ended 30 September 2016.

CHANGE OF DIRECTOR'S INFORMATION

Upon specific enquiry by the Company and following confirmations from Directors, save as otherwise set out in this Report, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report. The change of Director's information as required to be disclosed pursuant to Rule 13.51B of the Listing Rules are set out below:

1. Mr. Chung Ho Chun, Mr. Fu Ear Ly and Mr. Huang Weibo resigned as executive Directors and Mr. So Chak Fai, Francis and Ms. Wong Yee Shuen, Regina resigned as non-executive Directors with effect from 5 September 2016.

2. Mr. Ding Donghua and Mr. Zhang Jun were appointed as executive Directors, Ms. Wei Qiuli was appointed as a non-executive Director and Mr. Zhang Liqing and Mr. Li Liangwen were appointed as independent non-executive Directors with effect from 5 September 2016.

3. Ms. Lee Shiow Yue resigned as the chairman of each of the Remuneration Committee and the Nomination Committee, Mr. Tang Chi Ho, Francis resigned as a member of each of the Remuneration Committee and the Nomination Committee. Mr. Poon Wai Hoi, Percy, Ms. Lee Shiow Yue and Mr. Tang Chi Ho, Francis then resigned as Independent Non-Executive Directors with effect from 31 October 2016.

4. Mr. Chung Tat Fun resigned as a member of each of the Remuneration Committee and the Nomination Committee with effect from 5 September 2016,

5. Mr. Chung Ho Chun ceased to be one of the authorised representatives of the Company pursuant to Rule 3.05 of the Listing Rules, and Mr. Ding Donghua has been appointed as an authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules in place of Mr. Chung Ho Chun with effect from 5 September 2016.

6. Mr. Hung Ka Hai Clement was appointed as an Independent Non-Executive Director with effect from 31 October 2016.

7. Subsequent to the announcement of the Company dated 5 September 2016 in relation to the change of directors, further details of the service contracts of Mr. Ding Donghua and Mr. Zhang Jun including details of remuneration and length of the service contracts were as follow:
   Each of Mr. Ding Donghua and Mr. Zhang Jun has entered into service contract with the Company on 15 September 2016 respectively for an initial term of one year commencing on 5 September 2016, subject to rotation at least once every three years and re-election in the annual general meetings of the company in accordance with the Bye-laws. Either party may terminate the appointment by giving at least one month's prior notice in writing. Pursuant to their service contracts, each of Mr. Ding Donghua and Mr. Zhang Jun is entitled to a fixed annual salary in the amount of HK$120,000 which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to their duties and responsibilities with the Company.

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 and internal controls. 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 has reviewed the unaudited consolidated financial results of the Company for the six months ended 30 September 2016 and agreed to the accounting principles and practices adopted by the Company.

PUBLICATION OF FINANCIAL INFORMATION

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinocreditgp.com). The Company's interim report for 2016 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
Sino Credit Holdings Limited
Chung Tat Fun
Chairman

Hong Kong, 24 November 2016

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.