PAK TAK INTERNATIONAL LIMITED
（百德國際有限公司）*

(incorporated in Bermuda with limited liability)

(Stock Code: 2668)

FINAL RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

FINANCIAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Pak Tak International Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the nine months ended 31 December 2017 together with the audited comparative figures for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period from 1 April 2017 to 31 December 2017

	Note	**Period from 1 April 2017 to 31 December 2017** ***HKD'000***	Year ended 31 March 2017 *HKD'000* (Restated)
Continuing Operations			
Revenue	*2*	**751,469**	221,782
Other revenue	*5*	**1,629**	2,148
Other net gains/(losses)	*5*	**5,559**	(1,662)
Fair value gain on investment properties		**72,778**	–
Direct costs and operating expenses		**(727,591)**	(200,999)
Administrative expenses		**(33,387)**	(41,439)
Selling expenses		**(4,982)**	(5,962)
Profit/(loss) from operations		**65,475**	(26,132)
Finance costs	*6(a)*	**(6,598)**	(852)
Profit/(loss) before taxation	*6*	**58,877**	(26,984)
Income tax expense	*7*	**(20,788)**	(70)

* *for identification purpose only*

	Note	**Period from 1 April 2017 to 31 December 2017** *HKD'000*	Year ended 31 March 2017 *HKD'000* (Restated)
Profit/(loss) from continuing operations		**38,089**	(27,054)
Discontinued operations			
Loss for the period/year from discontinued operations	*4(a)*	**(7,581)**	(2,102)
Profit/(loss) for the period/year		**30,508**	(29,156)
Attributable to equity shareholders of the Company:			
– from continuing operations		**38,089**	(27,054)
– from discontinued operations	*4(a)*	**1,114**	(1,865)
		39,203	(28,919)
Attributable to non-controlling interests:			
– from continuing operations		**–**	–
– from discontinued operations	*4(a)*	**(8,695)**	(237)
		(8,695)	(237)
		30,508	(29,156)
		HK cents	*HK cents*
Earnings/(loss) per share	*8*		
From continuing and discontinued operations			
– Basic and diluted		**2.19**	(2.04)
From continuing operations			
– Basic and diluted		**2.13**	(1.91)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 1 April 2017 to 31 December 2017

	Period from 1 April 2017 to 31 December 2017 *HKD'000*	Year ended 31 March 2017 *HKD'000* (Restated)
Profit/(loss) for the period/year	**30,508**	(29,156)
Other comprehensive income/(loss) for the period/year:		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**17,158**	(3,601)
Total comprehensive income/(loss) for the period/year	**47,666**	(32,757)
Attributable to:		
Equity shareholders of the Company	**56,518**	(32,233)
Non-controlling interests	**(8,852)**	(524)
	47,666	(32,757)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Note	At 31 December 2017 HKD'000	At 31 March 2017 HKD'000
Non-current assets			
Property, plant and equipment		**19,137**	42,879
Investment properties	*11*	**191,677**	–
Goodwill	*12*	**–**	14,518
Capitalised development costs	*13*	**–**	7,721
Deposits paid for acquisition of property, plant and equipment		**–**	118,790
Finance lease receivables	*14*	**43,210**	33,668
Deferred tax assets		**–**	5,651
		254,024	223,227
Current assets			
Inventories		**26,952**	41,019
Trade and bills receivables	*15*	**40,242**	11,855
Loan receivables	*16*	**60,451**	45,301
Current portion of finance lease receivables	*14*	**29,845**	15,602
Other receivables, prepayments and deposits		**19,954**	7,952
Held for trading investments	*17*	**26,329**	–
Cash and cash equivalents		**535,822**	114,872
		739,595	236,601
Assets classified as held for sale		**33,000**	–
		772,595	236,601
Current liabilities			
Trade payables	*18*	**26,646**	24,205
Other payables and accrued charges		**29,368**	45,708
Borrowings and overdraft	*19*	**336,762**	119,440
Tax payable		**1,081**	12
		393,857	189,365
Net current assets		**378,738**	47,236
Total assets less current liabilities		**632,762**	270,463

	Note	At 31 December 2017 HKD'000	At 31 March 2017 HKD'000
Non-current liabilities			
Borrowings	*19*	**89,382**	53,867
Deferred tax liabilities		**14,397**	–
Provision and other accrued charges		**14,841**	14,477
		118,620	68,344
NET ASSETS		**514,142**	202,119
CAPITAL AND RESERVES			
Share capital		**58,000**	28,300
Reserves		**456,142**	78,798
Equity attributable to equity shareholders of the Company		**514,142**	107,098
Non-controlling interests		**–**	95,021
TOTAL EQUITY		**514,142**	202,119

NOTES:

1. BASIS OF PREPARATION

This financial information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. This financial information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's consolidated financial statements.

- Amendments to HKAS 7, Disclosure Initiative
- Amendments to HKAS 12, Recognition of Deferred Tax Assets for Unrealised losses
- Amendments to HKFRSs, Annual Improvements to HKFRSs 2014-2016 Cycle

The adoption of the above amendments to HKFRSs in the current period has no material impact on the Group's financial performance and positions for the current period and prior years set out in this financial information. However, additional disclosure has been included to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, Statement of cash flows: Disclosure initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows changes.

The Group has not applied any new or amended HKFRSs that is not yet effective for the current accounting period.

2. REVENUE

Revenue represents the amounts received and receivable for goods sold, interest income from money lending business, finance lease income from leasing business, rental income from property investment business, gains on disposals of held for trading investments, consultancy fee income and income from sub-contracting services provided to outside customers during the period/year, net of discounts and related value added tax or other taxes, and is analysed as follows:

	Period from 1 April 2017 to 31 December 2017	Year ended 31 March 2017
	HKD'000	*HKD'000*
Sales of goods	**734,008**	217,973
Loan interest income	**2,880**	2,401
Finance lease income	**4,180**	665
Rental income	**1,443**	–
Gains on disposals of held for trading investments	**8,520**	–
Consultancy fee income	**237**	–
Sub-contracting income	**201**	743
	751,469	221,782

3. BUSINESS COMBINATIONS

(a) Acquisition of a subsidiary accounted for as assets acquisition

On 31 August 2017, Golden Flourish International Limited, the direct wholly-owned subsidiary of the Company, has completed the acquisition of the 100% equity interest in Hua Tong Investment Holding Limited (formerly known as Gallant Tech (i-manufacturing) Limited) ("**HTI**"), at a cash consideration of HKD33,000,000 from an independent third party. The directors of the Company are of the opinion that the acquisition of HTI is in substance an asset acquisition instead of a business combination, as the net assets of the HTI were mainly available-for-sale financial assets.

Net assets of HTI acquired:

	HKD'000
Available-for-sale financial assets	33,000

An analysis of the cash and cash equivalents in respect of the acquisition is as follows:

	HKD'000
Consideration paid in cash	(33,000)
Less: Cash and cash equivalents acquired	–
Net cash outflow from acquisition of a subsidiary as assets acquisition	(33,000)

4. DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARIES

On 1 August 2017, the Group entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with the purchaser pursuant to which the Group has conditionally agreed to dispose of the entire equity interest in Shenzhen Taihe Yutong New Energy Technology Company Limited and its subsidiaries (the "**Taihe Group**") involving in new energy development business for a cash consideration of RMB38,000,000 (equivalent to HKD44,600,600) to the purchaser (the "**Disposal**"). Completion of the Disposal under the Equity Transfer Agreement took place on 26 September 2017 on which date control of the Taihe Group was passed to the purchaser. After the completion of the Disposal, the Taihe Group ceased to be subsidiaries of the Company and the assets, liabilities and financial results of the Taihe Group are no longer consolidated in the consolidated financial statements of the Group. Details of the Disposal was set out in the announcement of the Company dated 1 August 2017.

The results from the discontinued new energy development business for the current and proceeding period/year are analysed below.

(a) Results of discontinued operations

	Period from 1 April 2017 to 26 September 2017	Year ended 31 March 2017
	HKD'000	*HKD'000*
Revenue	**–**	–
Cost of sales	**–**	–
	–	–
Other revenue	**167**	103
Other net gains	**10,497**	–
Research and development costs	**(2,808)**	(474)
Administrative expenses	**(13,147)**	(1,238)
Loss from operations	**(5,291)**	(1,609)
Finance costs	**(2,251)**	(481)
Loss before taxation	**(7,542)**	(2,090)
Income tax expense	**(39)**	(12)
Loss for the period/year from discontinued operations	**(7,581)**	(2,102)
Attributable to:		
Equity shareholders of the Company	**1,114**	(1,865)
Non-controlling interests	**(8,695)**	(237)
	(7,581)	(2,102)

(b) The net cash flows incurred by discontinued operations

	Period from 1 April 2017 to 26 September 2017	Year ended 31 March 2017
	HKD'000	*HKD'000*
Net cash (used in)/generated from operating activities	**(5,585)**	6,475
Net cash used in investing activities	**(804)**	(93,419)
Net cash generated from financing activities	**–**	114,187
Net cash (outflows)/inflows	**(6,389)**	27,243

(c) Disposal of subsidiaries

The net assets of those disposed subsidiaries at the date of disposal were as follows:

	HKD'000
Net assets disposed of:	
Property, plant and equipment	22,973
Goodwill	14,518
Deposits paid for acquisition of property, plant and equipment	80,769
Capitalised development costs	9,450
Other receivables, prepayments and deposits	4,944
Amount due from a fellow subsidiary	2,354
Cash and cash equivalents	61,620
Other payables and accrued charges	(19,978)
Borrowings	(56,338)
Tax payable	(39)
	120,273
Non-controlling interests	(86,169)
Net assets	34,104

	HKD'000
Consideration received:	
Cash received	44,601
Less: net assets disposed of	(34,104)
Gain on disposal of subsidiaries	10,497
Outflow of cash arising from disposal of subsidiaries:	
Consideration received in cash	44,601
Cash and cash equivalents in subsidiaries disposed of	(61,620)
Net cash outflows from disposal of subsidiaries	(17,019)

5. OTHER REVENUE AND OTHER GAINS/(LOSSES)

	Period from 1 April 2017 to 31 December 2017	Year ended 31 March 2017
	HKD'000	*HKD'000*
		(Restated)
Other revenue		
Discount received	**211**	258
Interest income	**335**	90
Reimbursement income	**555**	682
Sales of scrap and unused raw materials	**35**	153
Sundry	**493**	965
	1,629	2,148
Other net gains/(losses)		
Exchange loss, net	**(1,462)**	(1,674)
Gain on disposal of property, plant and equipment	**179**	12
Fair value changes of held for trading investments	**6,842**	–
	5,559	(1,662)

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived after charging:

	Period from 1 April 2017 to 31 December 2017 *HKD'000*	Year ended 31 March 2017 *HKD'000* (Restated)
(a) Finance costs:		
Interest on borrowings and overdraft	**6,598**	852
(b) Staff costs:		
Salaries, wages and allowances	**33,682**	61,612
Contributions to defined contribution retirement plans	**2,994**	2,321
Staff welfare and benefits	**669**	218
	37,345	64,151
(c) Other items:		
Auditors' remuneration	**1,009**	900
Cost of inventories sold*	**727,591**	200,999
Depreciation on property, plant and equipment	**5,153**	8,352
Legal and professional fees	**2,350**	3,211
Impairment loss on trade and bills receivables	**–**	1,312
Operating lease charges: minimum lease payments – properties rentals	**5,829**	7,103

* *Cost of inventories includes HKD24,138,000 (year ended 31 March 2017: HKD50,176,000) relating to staff costs, depreciation and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.*

7. INCOME TAX EXPENSE

	Period from 1 April 2017 to 31 December 2017 *HKD'000*	Year ended 31 March 2017 *HKD'000* (Restated)
Current tax		
– Hong Kong	**1,092**	–
Deferred tax		
– Hong Kong	**1,144**	–
– The People's Republic of China (the "**PRC**")	**18,552**	70
	19,696	70
Income tax expense	**20,788**	70

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the period from 1 April 2017 to 31 December 2017. No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2017 as the subsidiaries in the Group either do not have assessable profits or have agreed tax losses brought forward in excess of any estimated assessable profits.

The subsidiaries in the PRC are subject to a tax rate of 25% (year ended 31 March 2017: 25%). No provision for income tax has been made by the Group's subsidiaries for both years as they either do not have assessable profits or have agreed tax losses brought forward in excess of any estimated assessable profits.

8. EARNINGS/(LOSS) PER SHARE

The diluted earnings/(loss) per share for the period from 1 April 2017 to 31 December 2017 and year ended 31 December 2017 was same as the basic earnings/(loss) per share. The computation of diluted earnings/(loss) per share does not assume the exercise of the Company's warrants because the exercise price of those warrants was higher than the average market price of the shares for the period from 1 April 2017 to 31 December 2017 and year ended 31 March 2017.

Basic earnings/(loss) per share is calculated by dividing the earnings/(loss) attributable to equity shareholders of the Company by weighted average number of ordinary shares in issue during the period/year.

	Period from 1 April 2017 to 31 December 2017	Year ended 31 March 2017
	HKD'000	*HKD'000*
		(Restated)
Earnings/(loss)		
Profit/(loss) attributable to equity shareholders of the Company		
– From continued operations	**38,089**	(27,054)
– From discontinued operations	**1,114**	(1,865)
	39,203	(28,919)
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares in issue	**1,789,399**	1,415,000

Basic earnings/(loss) per share are the same as diluted earnings per share as the Company has no dilutive potential shares.

9. SEGMENT REPORTING

The chief operating decision-maker ("**CODM**") has been identified as the executive directors of the Company. The CODM reviews the Group's internal reporting for purpose of allocating resources to, and assessing the performance of, the Group's various business.

The Group is organised into business units based on their products and services and has seven reportable operating segments under HKFRS 8 Operating Segments which were as follows:

(i) Manufacturing and trading of garment;

(ii) Money lending business;

(iii) Leasing business;

(iv) General trading;

(v) New energy development;

(vi) Property investment; and

(vii) Securities investment

After the Disposal as described in Note 4, the new energy development business was discontinued.

The Group's operations are monitored with strategic decisions which are made on the basis of operating results, consolidated assets and liabilities as reflected in the consolidated financial statements.

(a) Operating segment

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

	Continuing operations							Discontinued operations	
Period from 1 April 2017 to 31 December 2017	**Manufacturing and trading of garment** *HKD'000*	**Money lending business** *HKD'000*	**Securities investment** *HKD'000*	**Leasing business** *HKD'000*	**General trading** *HKD'000*	**Property investment** *HKD'000*	**Subtotal** *HKD'000*	**New energy development** *HKD'000*	**Total** *HKD'000*
Revenue from external customers	191,401	2,880	8,520	4,417	542,808	1,443	751,469	–	**751,469**
Segment result	(14,672)	580	13,062	1,430	(214)	73,670	73,856	(5,458)	**68,398**
Reconciliation:									
Interest income									**502**
Unallocated gains									**5**
Corporate and other unallocated expenses									**(7,438)**
Finance costs									**(8,849)**
Other net losses									**(1,283)**
Profit before taxation									**51,335**
Income tax expense									**(20,827)**
Profit for the period									**30,508**

Year ended 31 March 2017	Continuing operations: Manufacturing and trading of garment *HKD'000*	Money lending business *HKD'000*	Securities investment *HKD'000*	Leasing business *HKD'000*	General trading *HKD'000*	Property investment *HKD'000*	Subtotal *HKD'000*	Discontinued operations: New energy development *HKD'000*	Total *HKD'000*
Revenue from external customers	218,716	2,401	–	665	–	–	221,782	–	221,782
Segment result	(10,034)	(3,525)	–	47	–	–	(13,512)	(1,711)	(15,223)
Reconciliation:									
Interest income									193
Unallocated gains									965
Corporate and other unallocated expenses									(12,014)
Finance costs									(1,333)
Other net losses									(1,662)
Loss before taxation									(29,074)
Income tax expense									(82)
Loss for the year									(29,156)

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

At 31 December 2017	**Continuing operations: Manufacturing and trading of garment** ***HKD'000***	**Money lending business** ***HKD'000***	**Securities investment** ***HKD'000***	**Leasing business** ***HKD'000***	**General trading** ***HKD'000***	**Property investment** ***HKD'000***	**Subtotal** ***HKD'000***	**Discontinued operations: New energy development** ***HKD'000***	**Total** ***HKD'000***
Segment assets	82,551	109,536	35,434	453,580	38,122	198,838	918,061	–	**918,061**
Reconciliation:									
Corporate and other unallocated assets									**108,558**
Total assets									**1,026,619**
Segment liabilities	100,412	719	–	322,361	13,670	58,824	495,986	–	**495,986**
Reconciliation:									
Deferred tax liabilities									**14,397**
Corporate and other unallocated liabilities									**2,094**
Total liabilities									**512,477**

At 31 March 2017	Continuing operations							Discontinued operations	
	Manufacturing and trading of garment	Money lending business	Securities investment	Leasing business	General trading	Property investment	Subtotal	New energy development	Total
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
Segment assets	66,299	68,285	–	88,211	17,328	–	240,123	203,215	443,338
Reconciliation:									
Deferred tax assets									5,651
Corporate and other unallocated assets									10,839
Total assets									459,828
Segment liabilities	73,092	1	–	71,330	17,328	–	161,751	71,523	233,274
Reconciliation:									
Corporate and other unallocated liabilities									24,435
Total liabilities									257,709

The following is an analysis of the Group's other segment information by reportable segments:

At 31 December 2017	**Continuing operations**							**Discontinued operations**	
	Manufacturing and trading of garment	**Money lending business**	**Securities investment**	**Leasing business**	**General trading**	**Property investment**	**Subtotal**	**New energy development**	**Total**
	HKD'000	***HKD'000***	***HKD'000***	***HKD'000***	***HKD'000***	***HKD'000***	***HKD'000***	***HKD'000***	***HKD'000***
Other information									
Additions to non-current segment assets	5,928	23	–	69	3	113,895	119,918	900	**120,818**
Unallocated expenditure									**–**
									120,818
Depreciation	4,535	67	–	22	–	–	4,624	2,255	**6,879**
Unallocated depreciation									**529**
									7,408
Impairment loss on trade and bills receivables	–	–	–	–	–	–	–	–	**–**

At 31 March 2017	Continuing operations							Discontinued operations	
	Manufacturing and trading of garment	Money lending business	Securities investment	Leasing business	General trading	Property investment	Subtotal	New energy development	Total
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
Other information									
Additions to non-current segment assets	1,487	14	–	42	–	–	1,543	1,763	3,306
Unallocated expenditure									566
									3,872
Depreciation	6,428	641	–	–	–	–	7,069	172	7,241
Unallocated depreciation									1,283
									8,524
Impairment loss on trade and bills receivables	1,312	–	–	–	–	–	–	–	1,312

(b) Geographical information

The Group's revenue from continuing operations from external customers by geographical market is as follows:

	Period from 1 April 2017 to 31 December 2017	Year ended 31 March 2017
	HKD'000	*HKD'000*
United States of America ("USA")	**146,143**	178,559
Europe	**23,163**	13,892
Asia	**578,075**	24,123
Others	**4,088**	5,208
	751,469	221,782

The Group's information about its non-current assets from continuing operations by geographic location is as follows:

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
		(Restated)
The PRC	**205,743**	47,894
Hong Kong	**5,071**	5,188
	210,814	53,082

(c) Major customers

Revenue from major customers, each of whom amounted to 10% or more of the total revenue, is set out below:

	Period from 1 April 2017 to 31 December 2017	Year ended 31 March 2017
	HKD'000	*HKD'000*
Customer A	**198,757**	–
Customer B	**89,295**	–
Customer C[1]	**–**	55,467
Customer D[1]	**–**	42,853
Customer E[1]	**–**	41,582
Customer F[1]	**–**	35,496
Customer G[1]	**–**	25,111

[1] *Revenue from customers for the period from 1 April 2017 to 31 December 2017 was contributed less than 10% of the total revenue of the Group.*

10. DIVIDEND

The directors do not recommend the payment of any dividend for the period from 1 April 2017 to 31 December 2017 (year ended 31 March 2017: HKDNil).

11. INVESTMENT PROPERTIES

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
At the beginning of the period/year	**–**	–
Additions	**113,895**	–
Exchange realignment	**5,004**	–
Fair value gain	**72,778**	–
At the end of the period/year	**191,677**	–

The investment properties are situated in the PRC and are held under a medium-term lease.

At 31 December 2017, the Group's investment properties with an aggregate carrying amount of HKD191,677,000, were pledged to bank loans granted to the Group.

12. GOODWILL

The amounts of goodwill capitalised as an asset and recognised in the consolidated statement of financial position, arising from the acquisition of a subsidiary, is as follows:

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
Cost		
At the beginning of the period/year	**14,518**	–
Acquisition of a subsidiary	**–**	14,518
Disposal of subsidiaries *(Note 4(c))*	**(14,518)**	–
Carrying amount		
At the end of the period/year	**–**	14,518

The carrying amount of goodwill was allocated to the respective cash generating units ("**CGUs**"), each of which represent an operating entity within the operating segments identified by the Group for the purpose of segment reporting. A segment level summary of the goodwill allocation is presented below:

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
New energy development	**–**	14,518

13. CAPITALISED DEVELOPMENT COSTS

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
Cost		
At the beginning of the period/year	**7,721**	–
Acquisition of a subsidiary	**–**	7,083
Additions	**1,533**	659
Written off	**(136)**	–
Disposal of subsidiaries *(Note 4(c))*	**(9,450)**	–
Exchange realignment	**332**	(21)
At the end of the period/year	**–**	7,721
Accumulated depreciation		
At the beginning and the end of the period/year	**–**	–
Carrying amount		
At the end of the period/year	**–**	7,721

Capitalised development costs at 31 March 2017 were arisen from incomplete development projects. No amortisation was charged for the year ended 31 March 2017.

14. FINANCE LEASE RECEIVABLES

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
Non-current finance lease receivables	**43,210**	33,668
Current finance lease receivables	**29,845**	15,602
	73,055	49,270

The total minimum lease payments receivable under finance leases and their present values are as follows:

	Minimum lease payments receivable		**Present value of minimum lease payments**	
	At 31 December 2017	At 31 March 2017	**At 31 December 2017**	At 31 March 2017
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*
Within one year	**34,767**	19,049	**29,845**	15,602
Later than one year and not later than five years	**45,230**	36,103	**43,210**	33,668
	79,997	55,152	**73,055**	49,270
Unearned interest income	**(6,942)**	(5,882)	**–**	–
Present value of minimum lease payments receivable	**73,055**	49,270	**73,055**	49,270

Certain motor vehicles are leased out under finance leases. The terms of finance leases are 36 months (31 March 2017: 36 months). The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate is approximately 8% (31 March 2017: 8%) per annum.

Finance lease receivables are secured over the motor vehicles leased. The Company is not permitted to sell or repledge the collateral in the absence of default by the lessee. The finance lease receivables at 31 December 2017 and 31 March 2017 are neither past due nor impaired.

15. TRADE AND BILLS RECEIVABLES

	At 31 December 2017 HKD'000	At 31 March 2017 HKD'000
Trade and bills receivables	**41,554**	13,167
Less: Allowance for impairment of doubtful debts *(Note 15(b))*	**(1,312)**	(1,312)
	40,242	11,855

All trade and bills receivables are expected to be recovered within one year.

At 31 December 2017, the Group discounted bills receivable amounted to HKD9,430,000 (31 March 2017: HKD1,590,000) to banks with recourse and continue to be recognised as assets in the consolidated financial statements as the Group has not transferred substantially the risks and rewards of ownership of the bills receivable taking into account the credit rating of the issuers of the bills. Accordingly, the liabilities associated with such bills, bank borrowings, as disclosed in Note 19.

(a) Ageing analysis

The ageing analysis of trade and bills receivables (net of allowance for impairment of doubtful debts) as of the end of the reporting period, based on invoice date, is as follows:

	At 31 December 2017 HKD'000	At 31 March 2017 HKD'000
Within 1 month	**35,897**	9,160
1 to 3 months	**2,728**	2,212
3 to 12 months	**1,617**	483
	40,242	11,855

Trade and bills receivables are due within 30 to 60 days from the date of billing.

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly.

The movements in the allowance for impairment of doubtful debts during the period/year are as follows:

	At 31 December 2017 *HKD'000*	At 31 March 2017 *HKD'000*
At the beginning of the period/year	**1,312**	–
Impairment loss recognised	**–**	1,312
At the end of the period/year	**1,312**	1,312

(c) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	At 31 December 2017 *HKD'000*	At 31 March 2017 *HKD'000*
Neither past due nor impaired	**30,152**	5,831
Less than 1 month past due	**6,206**	3,673
1 to 3 months past due	**2,247**	2,340
More than 3 months but less than 12 months past due	**1,637**	11
Amounts past due	**10,090**	6,024
	40,242	11,855

Trade and bills receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Trade and bills receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

16. LOAN RECEIVABLES

The loan receivables from the money lending line of business is provided to an independent third party after a credit assessment on the borrower, bears interest ranging from 8% to 11% per annum and repayable within 1 year (31 March 2017: interest at 8% per annum and repayable within 1 year).

As at 31 December 2017, the loan receivables of amounting to HKD18,015,000 are secured by the charges on certain shares of a company listed on the Main Board of the Stock Exchange held by the borrower and the personal guarantee given by the sole director of the borrower, amounting to HKD18,010,000 are secured by the charges on certain shares of a private company incorporated in Hong Kong held by the borrower, and amounting to HKD24,426,000 are secured by the personal guarantee given by the sole director and sole shareholder of the borrower.

As at 31 March 2017, the loan receivable is secured by the charges on certain shares of a company listed on the Main Board of the Stock Exchange that held by the borrower and the personal guarantee given by the sole shareholder and director of the borrower.

17. HELD FOR TRADING INVESTMENTS

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
Listed equity securities at fair value		
– in Hong Kong	**26,329**	–

18. TRADE PAYABLES

The ageing analysis of trade payables as of the end of the reporting period, based on invoice date, is as follows:

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
Within 1 month	**21,564**	22,082
1 to 3 months	**4,310**	1,856
3 to 12 months	**764**	267
Over 12 months	**8**	–
	26,646	24,205

19. BORROWINGS AND OVERDRAFT

	At 31 December 2017	At 31 March 2017
	HKD'000	*HKD'000*
Bank loans, secured *(Note (a))*	**78,734**	6,047
Bank advances for discounted bills *(Note 15)*	**9,430**	1,590
Bank overdraft *(Note (a))*	**19,794**	21,491
Shareholder's loan, unsecured *(Note (b))*	**–**	20,000
Other borrowings, unsecured *(Note (c))*	**318,186**	124,179
	426,144	173,307

The maturity profile of borrowings and overdraft, based on the scheduled repayment dates set out in relevant loan agreements, is as follows:

	At 31 December 2017 *HKD'000*	At 31 March 2017 *HKD'000*
Within 1 year	**336,762**	119,440
After 1 year but within 2 years	**4,633**	20,000
After 2 years but within 5 years	**84,749**	33,867
	426,144	173,307
Less: Amount due within one year or repayable on demand classified as current liabilities	**(336,762)**	(119,440)
	89,382	53,867

Notes:

(a) At 31 December 2017, bank loans of HKD21,028,000 (31 March 2017: HKD6,047,000) were secured by corporate guarantee from the Company, legal charges on leasehold properties of companies controlled by and personal guarantees from Mr. Cheng Kwai Chun ("Mr. Cheng"), a director of a wholly owned subsidiary of the Company. Bank loan of HKD57,706,000 (31 March 2017: Nil) was secured by investment properties of the Group. Bank overdraft of HKD19,794,000 (31 March 2017: HKD17,991,000) was secured by legal charge on certain assets of Mr. Cheng.

(b) Shareholder's loan is unsecured, interest-bearing at 5% per annum (31 March 2017: 5% per annum) and is repayable on 4 January 2019.

(c) Other borrowings are obtained from independent third parties. Amounts of HKD282,165,000 is unsecured interest-bearing at 1.5% per month and are repayable within 1 year (31 March 2017: HKD90,312,000 are secured by corporate guarantee from the Company, interest-bearing in the range from 6% to 8% per annum and are repayable within 1 year). Amount of HKD36,021,000 is secured by corporate guarantee from the Company, interest-bearing at 6% per annum and is repayable within 2 years (31 March 2017: HKD33,867,000 is interest-bearing at 6% per annum and is repayable within 3 years).

20. EVENT AFTER THE END OF THE REPORTING PERIOD

(i) On 28 February 2018, the Company's subsidiary, Hua Tong Investment Holding Limited, entered into a sales and purchase agreement with an individual third party to dispose of the available-for-sale financial assets for a cash consideration of HKD34,560,000. The disposal was completed on 28 February 2018 which the title of the available-for-sale financial assets have been transferred.

(ii) On 5 March 2018, Golden Flourish Property Limited ("**Purchaser**"), a wholly-owned subsidiary of the Company, entered into a provisional agreement for sale and purchase with an individual third party ("**Vendor**") and the agent, pursuant to which the Purchaser conditionally agreed to purchase the entire issued share ("**Sale Share**") of Confield Worldwide Limited ("**Target Company**"), a company incorporated in the British Virgin Islands with limited liability, and take up the assignment of the all such sum of money advanced by the Vendor to the Target Company and due and owing by Target Company to the Vendor as at the completion date ("**Shareholder's Loan**"), and the Vendor conditionally agreed to sell the Sale Share and assign the Shareholder's Loan, at the consideration of HKD71,632,000 (subject to adjustments). The Target Company, which is principally engaged in property investment in Hong Kong, is the sole legal and beneficial owner of the property located at Unit 1902, 19/F, Tower 2 Lippo Centre, No. 89 Queensway, Hong Kong.

21. COMPARATIVE FIGURES

Certain comparative figures have been restated in order to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

During the nine months ended 31 December 2017, the principal activities of the Group are: (i) manufacturing and trading of garments (the "**Garments Business**"), (ii) money lending business in Hong Kong under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), (iii) the finance leasing business, (iv) the general trading, (v) property investment and (vi) securities investment. Following the completion of the disposal of the new energy business companies, the Group ceased to operate such business on 26 September 2017.

BUSINESS REVIEW

Continuing Operations

Garments Business

For the nine months ended 31 December 2017, the garment industry was facing the continuously challenging environment with the weak demand and the slowdown in export market. The operation in garment segment was under great pressure, as well as the rising sub-contracting charge and the raw materials cost. The revenue and the segment performance of the Garments Business was further contracted for the period under review. The Group will continue to monitor its operation to enhance its profitability and competitiveness.

Money Lending Business

During the nine months ended 31 December 2017, the Group granted certain loans in aggregate of HKD60 million to certain borrowers and recognised an aggregate interest income of HKD2.9 million. The Group's loans receivables, which are repayable according to repayment schedules with contractual maturity ranging within a year. The rate of return of the money lending business of the Group during the nine months ended 31 December 2017 is in the range of 8% to 11%. All the loans receivables have been collected and received on time. The Group will continue to adopt a prudent risk management policy to ensure a healthy development in its money lending business and carrying out regular review of credit risk over the existing borrowers.

Finance Leasing Business

During the nine months ended 31 December 2017, Shenzhen Jinsheng Finance Lease Company Limited, being a direct wholly-owned subsidiary of the Company, and the lessee entered into the credit facility agreement for the provision of revolving finance leasing with the aggregate leasing amount not exceeding RMB200 million to finance the lessee for purchasing of motor vehicles for its car rental business, for a term of two years starting from September 2017. No loans under the credit facility agreement was granted to lessee at the end of the reporting period.

The aggregate finance lease receivables was HKD73.1 million as at 31 December 2017 and the finance leasing business has attributed the revenue of HKD4.4 million for the nine months ended 31 December 2017. All the finance lease receivables have been collected and received on time. The Group adopted a prudent approach in the finance leasing business to minimise its credit and business risks. The Board believes that the finance leasing business will produce a steady growth in the Group's long term performance and will maximise the future contribution to the Group.

General Trading

During the nine months ended 31 December 2017, the general trading recorded a revenue of HKD542.8 million, involving products including but not limited to the non-ferrous metal, the marine products, construction materials and metals materials, of which the customers and the suppliers include listed company and private company in the PRC. The Board believes that the operation of general trading can expand the business network of the Group in different fields, which is benefit for the long-term growth of the Group. The management of the Company will put more effort on negotiation with potential suppliers and customers for achieving more favourable trading terms in future trades.

Property Investment

During the nine months ended 31 December 2017, the Group had acquired 141 retailing shops which have a total floor area of approximately 18,000 square meters in Yunfu, PRC in June 2017. These properties are for investment purposes. At as 31 December 2017, the investment properties held by the Group measured at fair value amounted to HKD191.7 million, representing with a fair value gains on investment properties of HKD72.8 million and recorded a revenue of rental income of HKD1.4 million for the nine months ended 31 December 2017. The Board considers that the property investment would enable the Group to achieve a considerable return and would strengthen the asset and/or income base of the Group.

Securities Investment

To broaden the source of income and offering a better return to its shareholders, the Group included securities investment for both listed and unlisted shares in its main business portfolio. The Group adopted a prudent investment strategy and will closely monitor the market changes and adjust its investment portfolio as and when necessary. During the nine months ended 31 December 2017, the Group achieved satisfactory returns and recorded a gains on disposals of and an increase in fair value changes of held for trading investments of HKD8.5 million and HKD6.8 million respectively.

Discontinued Operation

Disposal of the New Energy Business

On 19 September 2017, the major transaction in relation to the disposal of the new energy business companies (the "**Taihe Group**") at the consideration of RMB38 million (the "**Disposal**") was approved by the shareholders of the Company. The Disposal Group is principally engaged in the research and development of (i) power electric battery; (ii) system of power electric battery; (iii) technologies related to range extended electric vehicles; and (iv) other products related to a battery system. All the conditions precedent under the Equity Transfer Agreement have been fulfilled and the disposal was completed on 26 September 2017 in accordance with the terms and conditions of the equity transfer agreement. Upon completion of the Disposal, the Disposal Group has ceased to be the subsidiaries of the Company. Details of the Disposal were disclosed in the Company's announcements dated 1 August 2017 and 22 August 2017 and the Company's circular dated 1 September 2017.

FINANCIAL REVIEW

Below is an analysis of our key financial information including, but not limited to revenue, expenses and profit for the period, which reflected the financial position of the business

Revenue

The total revenue of the Group for the nine months ended 31 December 2017 amounted to HKD751.5 million. This represented a significant increase of 239% over the revenue of HKD221.8 million for the year ended 31 March 2017. The increase was mainly attributable from the revenue generated in the general trading of HKD542.8 million which was commenced during the current period. Other than the revenue from the general trading, the newly commenced business of securities investment and property investment were contributed HKD8.5 million and HKD1.4 million respectively.

The revenue in money lending and finance leasing businesses were amounted to HKD2.9 million (for the year ended 31 March 2017: HKD2.4 million) and HKD4.4 million (for the year ended 31 March 2017: HKD0.7 million), respectively. The revenue of Garments Business was declined by HKD27.3 million from HKD218.7 million for the year ended 31 March 2017 to HKD191.4 million for the nine months ended 31 December 2017.

For the nine months ended 31 December 2017, the major market of the Group was in Asia, which accounted for 76.9% of the Group's total revenue, whereas 22.5% of the Group's total revenue was attributed to sales to USA and Europe.

Expenses

The Group's direct costs and operating expenses was significantly increased by HKD526.6 million from HKD201.0 million for the year ended 31 March 2017 to HKD727.6 million for the nine months ended 31 December 2017. The increase in direct costs and operating expenses is mainly due to the new business of general trading commenced during the current period, resulted from the significant growth in general trading, whereas the revenue from general trading was accounted for 72.2% of the Group's total revenue.

The Group's administrative expenses from continuing operations was decreased by HKD8.0 million from HKD41.4 million for the year ended 31 March 2017 to HKD33.4 million for the nine months ended 31 December 2017, as a result of change of financial year end date.

The Group's selling expenses from continuing operations was decreased by HKD1.0 million from HKD6.0 million for the year ended 31 March 2017 to HKD5.0 million for the nine months ended 31 December 2017. All the selling expenses were related to the Garments Business.

The Group's finance cost from continuing operations was increased by HKD5.7 million from HKD0.9 million for the year ended 31 March 2017 to HKD6.6 million for the nine months ended 31 December 2017. The significant increase of finance cost is mainly due to the increase of the Group's borrowings outstanding during the period for the development of new/current business of the Group.

Profit for the Period

For the nine months ended 31 December 2017, the Group recorded a net profit of HKD30.5 million as compared to a net loss of HKD29.2 million for the year ended 31 March 2017, such turnaround mainly attributable to, (i) the fair value gain on the Group's investment properties located in Yunfu, PRC, (ii) the positive contribution from the securities investment, and (iii) the one-off gain arising from the disposal of the new energy business companies which was completed in September 2017. Such improvement in the net profit was partly offset by the decline in segment results in Garments Business; and the increase in finance costs and deferred tax expenses.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2017, the cash and cash equivalents (excluding bank overdrafts) of the Group were HKD535.8 million (31 March 2017: HKD114.9 million) and the borrowings and overdraft were HKD426.1 million (31 March 2017: HKD173.3 million). Increase in borrowings and overdraft was primarily strengthen the cash and cash equivalents level to grasp any potential investment opportunity. The following table details the cash and cash equivalents and the borrowings and overdraft of the Group at the end of the reporting period denominated in original currencies:

	At 31 December 2017		
	HKD *('000)*	**RMB** *('000)*	**USD** *('000)*
Cash and cash equivalents	196,330	280,948	278
Borrowings and overdraft	50,253	313,060	–

	At 31 March 2017		
	HKD *('000)*	**RMB** *('000)*	**USD** *('000)*
Cash and cash equivalents	31,363	68,807	752
Borrowings and overdraft	49,128	110,000	–

The Group principally satisfies its demand for operating capital with cash inflow from its operations, the fund raising activities and the borrowings. As at 31 December 2017, the gearing ratio, which is calculated on the basis of total borrowings and overdraft over total shareholders' fund of the Group, was 83% (31 March 2017: 162%). Decrease in gearing ratio was mainly due to the part of borrowings was released by the Disposal and the increase in liquid working capital through the fund raising exercises completed during the period. The liquidity ratio, which represents a ratio of current assets over current liabilities, to reflect the adequacy of the financial resources, was 2.0 (31 March 2017: 1.2).

FUND RAISING ACTIVITIES

Set out below is the fund raising activities of the Company during the past twelve months immediately prior to the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds	Proposed use of the net proceeds	Actual use of the net proceeds as at the date of this announcement
26 May 2017	Placing of 283,000,000 new shares under general mandate	Approximately HKD78.4 million	(i) approximately HKD39.2 million for the expansion of the Group's existing businesses including the money lending business, finance leasing business and general trading, and (ii) approximately HKD39.2 million for the general working capital of the Group and for investments opportunities as may be identified from time to time.	Used as intended except for the HKD29.2 million had been reallocated for the identified investment as disclosed to the Company's announcement dated 1 August 2017
15 September 2017	Subscription of 339,600,000 new shares under general mandate	Approximately HKD78.0 million	(i) approximately HKD50.0 million for the expansion of the Group's existing businesses including the money lending, leasing business, securities trading and investment, and general trading; (ii) approximately HKD20.0 million for repayment of loans; and (iii) approximately HKD8.0 million as general working capital of the Group.	Used as intended
11 October 2017	Placing of 326,750,000 new shares under specific mandate and subscription of 535,650,000 new shares under specific mandate	Approximately HKD192 million	(i) approximately HKD33.9 million for repayment of loans;	(i) used as intended;
			(ii) approximately HKD60.0 million for acquisition of property for use as office of the Company in Hong Kong;	(ii) approximately HKD3.6 million used as deposit paid for acquisition of property as disclosed to the Company's announcement dated 5 March 2018 and the remaining balance to be used as intended
			(iii) approximately HKD30.0 million for the Group's finance leasing business;	(iii) unutilised and held in the Group's bank accounts and to be used as intended;

Date of announcement	Fund raising activity	Net proceeds	Proposed use of the net proceeds	Actual use of the net proceeds as at the date of this announcement
			(iv) approximately HKD30.0 million for the Group's money lending business;	(iv) used as intended;
			(v) approximately HKD20.0 million for the Group's securities trading and investment;	(v) approximately HKD9.0 million used as intended and the remaining balance to be used as intended;
			(vi) approximately HKD10.0 million for the prepayment or deposit payable to the suppliers for Group's general trading; and	(vi) used as intended; and
			(vii) approximately HKD8.1 million as general working capital of the Group mainly for the administrative expenses and operation expenses, including salaries and office rental expenses.	(vii) approximately HKD2.5 million used as intended and the remaining balance to be used as intended.

UNLISTED WARRANTS

On 27 August 2015, the Company issued an aggregate of 283,000,000 unlisted warrants at the issue price of HKD0.02 per warrant to the subscribers, each of which would entitle the warrant holder(s) to subscribe in cash for one share at the exercise price of HKD3 (subject to adjustment) at any time during a period of 3 years commencing from the issue date of the unlisted warrants (the "**Unlisted Warrants**"). Upon full exercise of the subscription rights attaching to the Unlisted Warrants, a total of 283,000,000 warrant shares will be issued. The warrant shares, when fully paid and allotted will rank *pari passu* in all respects with the then existing issued shares of the Company.

As at 31 December 2017, no Unlisted Warrants was exercised by the warrant holder(s).

FOREIGN EXCHANGE AND INTEREST RATE RISKS MANAGEMENT

The Group adopts strict and cautious policies in managing its exchange rate risk and interest rate risk. The principal foreign currency exchange risk stems from the exchange rate movements of the Hong Kong dollar, which is pegged to the United States dollar, and Renminbi. The sales of the Group and purchases of raw materials are mainly denominated in Renminbi and United States dollar, while the Group's operations in China, the location of its production, are primarily conducted in Renminbi, its Hong Kong operations are conducted in Hong Kong dollar. The management will closely monitor such risk and will consider hedging significant foreign currency exposure should the need arise.

The interest rate risk arises from the borrowings and overdrafts, which obtained at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2017 (year ended 31 March 2017: HKDNil).

CHARGE ON GROUP ASSETS

As at 31 December 2017, certain of Group's investment properties located in Yunfu, PRC with net carrying amount of HKD191.7 million was pledged as security for the banking facilities.

As at 31 March 2017, no asset of the Group was pledged to secure the credit facilities utilised by the Group.

FINANCIAL GUARANTEES ISSUED

At as 31 December 2017, the Company had issued corporate guarantees amounting to HKD151.1 million (31 March 2017: HKD184.2 million) to banks and lenders in connection with facilities granted to certain subsidiaries.

The guarantees were issued by the Company at nil consideration. The transactions were not at arm's length, and it is not possible to measure reliably the fair value of these transactions in accordance with HKAS 39, Financial instruments: Recognition and measurement, had they been at arm's length. Accordingly, the guarantees have not been accounted for as financial liabilities and measured at fair value.

At as 31 December 2017, the Directors considered it was not probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at the end of the reporting period under the guarantees issued amounted to the facilities drawn down by the subsidiaries of HKD66.5 million (31 March 2017: HKD131.8 million).

CAPITAL EXPENDITURES AND COMMITMENTS

For the nine months ended 31 December 2017, the Group invested HKD120.8 million (for the year ended 31 March 2017: HKD3.9 million) on investment properties and property, plant and equipment, which included leasehold improvements, plant and machinery, furniture, fixtures and equipment and motor vehicles. Increase in capital expenditures was mainly due to the acquisition of investment properties of HKD113.9 million during the current period.

At as 31 December 2017, the Group had capital commitments of HKDNil (31 March 2017: HKD58.4 million) in acquisition of property, plant and equipment in relation to the development of new energy business which was disposed and completed on 26 September 2017.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had a total of around 460 employees. The total staff costs of the Group amounted to HKD37.3 million for the nine months ended 31 December 2017, representing 5.0% of the Group's revenue. Salaries, wages and allowances amounted to HKD33.7 million, representing a decrease of 45.3% as compared to the year ended 31 March 2017. Employees' remuneration and bonuses are based on their responsibilities, performance, experience and the prevailing industry practice. The Group's remuneration policies and packages were reviewed periodically by the management of the Company in order to ensure that the packages are competitive. The Group provides relevant training to its employees in accordance with the skill requirements of different positions.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES

Discloseable Transaction in Relation to Acquisition of the Property in the PRC

On 21 June 2017, the Company through its indirect wholly-owned subsidiary, entered into the sales and purchase agreement with the independent third party in relation to the acquisition of the property in the PRC (the "**Property**") at a cash consideration of approximately RMB98,306,000. The Property situated at Yunxiang Avenue, Xijiang New District, Yunfu, Guangdong Province, the PRC. The Property comprises 141 retailing shops in total on the first floor to the third floor of the three buildings which have a total floor area of approximately 18,000 square meters with the land use right until 29 October 2053.

Discloseable Transaction in Relation to Investment in the Unlisted Securities

On 1 August 2017, the Company through its direct wholly-owned subsidiary, entered into the share transfer agreement with the independent third party, pursuant to which through the acquisition of the target company for investment in unlisted securities at a cash consideration of HKD33,000,000. The net assets of the target company were mainly available-for-sale financial assets, which representing the 10.66% issued share capital of CVP Financial Holdings Limited and its subsidiaries are principally engaged in the provision of advising on securities and corporate finance, dealing in securities and asset management services. The completion of the acquisition took place on 31 August 2017.

Major Transaction in Relation to the Credit Facility Agreement

On 26 July 2017, the Company, through its direct wholly-owned subsidiary, entered into a credit facility agreement with a lessee for the provision of revolving finance leasing with leasing amount not exceeding RMB200 million in aggregate for a term of two years.

Major Transaction in Relation to the Disposal of New Energy Business Companies

On 1 August 2017, the Company, through its indirect wholly-owned subsidiary, entered into the Equity Transfer Agreement with the vendor for the Disposal at the consideration of RMB38 million. The completion of the Disposal took place on 26 September 2017. Thereafter the Disposal Group has ceased to be the subsidiaries of the Company.

The above major transactions had been approved as the ordinary resolutions by the shareholders of the Company at the special general meetings of the Company on 19 September 2017.

Save as disclosed above, there were no significant investments held by the Group, nor were there other material acquisitions and disposals of subsidiaries by the Group during the nine months ended 31 December 2017.

FUTURE PROSPECTS

The Group has been diversified its business segments by entering into different business fields, such as the property investment and securities investment and achieved some satisfactory results and looking forward, the Group will maintain and develop its well diversified businesses. The Group will continue to develop the diversified business and make better use or consider any available resources of the Group.

Given that Hong Kong is one of the important global financial hubs, and the main bridge between the PRC and international markets, the corporate finance advisory services in Hong Kong has been top of the global ranking. A new mutual market access scheme was successfully launched this period which allows investors from the PRC and overseas to trade in each other's bond markets through connection between the related PRC and Hong Kong financial infrastructure institutions. To capture such potential growth in the financial services market, the Group was tapped into such sector through investment in the unlisted securities during the period and will continue to exercise prudency in looking for any suitable business opportunities in the future.

Regarding the Garments Business, the environment was continuously challenging with the weak demand and the slowdown in export market, the Group will continue to monitor closely and take any possible solutions to enhance its performance. Furthermore, the Group will continue to develop the money lending business and the finance leasing business and general trading, together with the new segments of property investment and securities investment adopted, to expect with a view to providing steady and stable returns to the Company and its shareholders.

The Group will continue to explore new investment opportunities with the aim to provide a stable income and growth to the Group's long term performance and enhance the returns to the shareholders of the Company.

OTHER INFORMATION

INCREASE IN AUTHORISED SHARE CAPITAL

On 21 July 2017, the authorised share capital of the Company was increased from HKD50,000,000 divided into 2,500,000,000 shares of HKD0.02 each to HKD200,000,000 divided into 10,000,000,000 shares by the creation of an additional 7,500,000,000 new shares subject to shareholders' approval. References were made in the announcement dated 21 June 2017, circular dated 6 July 2017 and poll results of special general meeting dated 21 July 2017.

CHANGE OF FINANCIAL YEAR END DATE

Pursuant to the resolution of the Board dated 6 December 2017, the Group's financial year end date has been changed from 31 March to 31 December. The change of financial year end date of the Company is to align its financial year end date with that of its subsidiaries in the PRC, which are statutorily required to close their accounts with the financial year end date of 31 December. The Board considers that the change of financial year end date of the Company will facilitate the preparation of the consolidated financial statements of the Group. Accordingly, this consolidated financial results cover a nine-month period from 1 April 2017 to 31 December 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the nine months ended 30 September 2017, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules except for the following deviations:

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. Mr. Wang Jian served as the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Wang has extensive experience in the construction and engineering industry and is responsible for the overall corporate strategies, planning and business development of the Group. Accordingly, the Board believes that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decision efficiently and consistently, and the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high caliber individuals, with majority of Non-executive Directors (including Independent Non-executive Directors);

Under code provision A.4.1, non-executive directors should be appointed for a specific term and are subject to re-election. Mr. Law Fei Shing, who is Non-executive Director of the Company, was not appointed for specific term but is subject to retirement by rotation and re-election at annual general meeting at least once every three years in accordance with the Bye-laws of the Company; and

Under the code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings of the Company. Due to the respective business commitments, the following Directors could not attend the annual general meeting or the special meetings of the Company:

1. Mr. Liu Kam Lung, an Independent Non-executive Director, was unable to attend the special general meeting of the Company held on 29 November 2017;

2. Mr. Shin Yick Fabian, a Non-executive Director, was unable to attend the annual general meeting and the special general meeting of the Company both held on 21 July 2017; and

3. Mr. Xie Xiaobiao, an Independent Non-executive Director, was unable attend the special general meetings of the Company held on 19 September 2017 and 29 November 2017, respectively.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the"**Model Code**") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, the Company confirms that all the Directors have complied with the Model Code for the nine months ended 31 December 2017.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") comprises 3 Independent Non-executive Directors of the Company. The Audit Committee has reviewed with the management of the Company and the external auditor, Baker Tilly Hong Kong Limited, the accounting principles and practices adopted by the Group and also discussed auditing, internal controls and financial reporting matters including the review of the audited consolidated financial statements for the nine months ended 31 December 2017 of the Group.

CLOSURE OF REGISTER OF MEMBERS

The 2018 Annual General Meeting of the Company is scheduled to be held on Friday, 25 May 2018 (the "**AGM**"). The register of members of the Company will be closed from Monday, 21 May 2018 to Friday, 25 May 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all properly completed transfer of share(s) accompanied by the relevant share certificate(s), must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 18 May 2018.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, the Company maintained a sufficient public float with more than 25% of the issued share of the Company as required under the Listing Rules throughout the nine months ended 31 December 2017 and up to the date of this announcement.

PUBLICATION OF ANNUAL REPORT

The Company's annual report containing all information required by the Listing Rules will be despatched to shareholders and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.paktakintl.com in due course.

On behalf of the Board
Pak Tak International Limited
Wang Jian
Chairman and Chief Executive Officer

Hong Kong, 23 March 2018

As at the date of this announcement, the Board comprises Mr. Wang Jian, Ms. Qian Pu and Mr. Feng Guoming as Executive Directors; Mr. Law Fei Shing and Mr. Shin Yick Fabian as Non-executive Directors; and Mr. Liu Kam Lung, Mr. Xie Xiaobiao and Mr. Zheng Suijun as Independent Non-executive Directors.