国美金融科技
GOME FINTECH

國美金融科技有限公司
Gome Finance Technology Co., Ltd.

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

The board (the "Board") of directors (the "Directors") of Gome Finance Technology Co., Ltd. (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2017 together with the comparative figures, which have been reviewed by the Company's audit committee (the "Audit Committee").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	**For the year ended 31 December 2017** **RMB'000**	For the nine months ended 31 December 2016 *RMB'000* (Restated)
Revenue	6	**73,807**	35,500
Other income and gains/(losses)	6	**30,054**	(3,193)
Administrative expenses		**(55,579)**	(33,770)
Reversal of/(provision for) impairment loss on trade and loans receivables	12	**12,414**	(16,374)
Finance costs	8	**(35,782)**	(9,263)
Profit/(loss) before tax	7	**24,914**	(27,100)
Income tax expense	9	**(3,190)**	(4,428)

	Note	**For the year ended 31 December 2017** *RMB'000*	For the nine months ended 31 December 2016 *RMB'000* (Restated)
Profit/(loss) for the year/period		**21,724**	(31,528)
Attributable to:			
Owners of the Company		**21,724**	(31,528)
Earnings/(loss) per share attributable to ordinary equity holders of the Company	10		
Basic and diluted			
For profit/(loss) for the year/period		**RMB 0.80 cents**	RMB(2.08) cents
Profit/(loss) for the year/period		**21,724**	(31,528)
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of overseas operations		**(92,748)**	51,348
Other comprehensive income for the year/period, net of tax		**(92,748)**	51,348
Total comprehensive income for the year/period		**(71,024)**	19,820
Attributable to:			
Owners of the Company		**(71,024)**	19,820

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	**31 December 2017** *RMB'000*	31 December 2016 *RMB'000* (Restated)
Non-current assets			
Trade and loans receivables	12	**56,720**	–
Property, plant and equipment		**1,893**	2,800
Goodwill		**–**	–
Other intangible assets		**17,702**	22,814
Deferred tax assets		**595**	781
Total non-current assets		**76,910**	26,395
Current assets			
Trade and loans receivables	12	**353,640**	963,966
Prepayments, deposits and other receivables		**605,071**	27,450
Notes receivable		**–**	26,835
Pledged deposits for bank loans		**831,464**	665,996
Cash and cash equivalents		**708,401**	789,683
Total current assets		**2,498,576**	2,473,930
Current liabilities			
Trade payables	13	**11,730**	24,550
Other payables and accruals		**37,822**	16,264
Tax payables		**4,274**	4,802
Interest-bearing bank and other borrowings		**776,000**	636,573
Total current liabilities		**829,826**	682,189
Net current assets		**1,668,750**	1,791,741
Total assets less current liabilities		**1,745,660**	1,818,136

	Note	**31 December 2017** *RMB'000*	31 December 2016 *RMB'000* (Restated)
Non-current liabilities			
Bonds issued		**26,635**	28,087
Total non-current liabilities		**26,635**	28,087
Net assets		**1,719,025**	1,790,049
Equity attributable to owners of the Company			
Share capital		**230,159**	230,159
Reserves		**1,488,866**	1,559,890
Total equity		**1,719,025**	1,790,049

NOTES:

1 GENERAL INFORMATION

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

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

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

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. The financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Change of financial year end date

Pursuant to a resolution of the Board of Directors of the Company passed on 23 December 2016, the Company's financial year end date was changed from 31 March to 31 December in order to align with the financial year end date of the Company's principal operating subsidiaries established in the PRC whose accounts are statutorily required to be prepared with a financial year end date of 31 December. Accordingly, the current financial period covers a twelve-month period from 1 January 2017 to 31 December 2017. The comparative figures cover a nine-month period from 1 April 2016 to 31 December 2016, which may not be comparable with amounts shown for the current period.

Change of presentation currency

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

The Group's major transactions are denominated and settled in RMB. During the reporting period, the Group changes the currency in which it presents its consolidated financial statements from the HKD to RMB, in order to better reflect the underlying performance of the Group.

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

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

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

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

The quantitative impact on the consolidated financial statements is summarised below:

(i) The consolidated statement of profit or loss and other comprehensive income for the nine months ended 31 December 2016

	The Group for the nine months ended 31 December 2016	**Tianjin Financial Leasing from 5 September 2016 to 31 December 2016**	**The Group for the nine months ended 31 December 2016**
	(Audited)		(Restated)
	RMB'000	*RMB'000*	*RMB'000*
Revenue	34,608	892	35,500
Other income and (losses)/gains	(3,202)	9	(3,193)
Administrative expenses	(33,621)	(149)	(33,770)
Impairment loss on trade and loans receivables	(16,280)	(94)	(16,374)
Finance costs	(8,735)	(528)	(9,263)
Income tax expense	(4,452)	24	(4,428)
(Loss)/profit for the period	(31,682)	154	(31,528)
Exchange differences on translation of overseas operations	51,348	–	51,348
Total comprehensive income for the period	19,666	154	19,820

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

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

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

Except for the amendments included in the Annual Improvements to HKFRSs 2014-2016 Cycle, which are not relevant to the preparation of the Group's financial statements, the nature and impact of the amendments are described below.

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements.

Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

4. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[1]
HKFRS 9	*Financial Instruments*[1]
Amendments to HKFRS 9	*Clarification to HKFRS 9 Financial Instruments*[2]
HKFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[1]
HKFRS 16	*Leases*[2]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKAS 40	*Transfers of Investment Property*[1]
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*[2]
HK(IFRIC) Interpretation 22	*Foreign Currency Transactions and Advance Consideration*[1]
HK(IFRIC) Interpretation 23	*Uncertainty over Income Tax Treatments*[2]
Annual Improvements to HKFRSs 2014-2016 Cycle	*HFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards*[1]
Annual Improvements to HKFRSs 2014-2016 Cycle	*HKAS 28 Investments in Associates and Joint Ventures*[1]

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

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

3 Effective for annual periods beginning on or after 1 January 2021

5 OPERATING SEGMENT INFORMATION

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

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

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

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

There are no intersegment sales or transfers among the segments.

	For the year ended 31 December 2017			
	Commercial factoring services	**Finance lease services**	**Other financing services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue:				
Revenue from external customers	67,770	2,510	3,527	73,807
Segment results	**13,264**	**(6,828)**	**7,346**	**13,782**
Reconciliation:				
Investment income				1,578
Bank interest income				16,538
Finance costs				(8,290)
Exchange gain				11,747
Unallocated expenses				(10,441)
Profit before taxation				24,914
Taxation				(3,190)
Profit for the year				21,724

	At 31 December 2017			
	Commercial factoring services	**Finance lease services**	**Other financing services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets	723,095	528,490	145,910	1,397,495
Reconciliation:				
Unallocated assets				1,177,991
Total assets				**2,575,486**
Segment liabilities	795,121	31,016	2,254	828,391
Reconciliation:				
Unallocated liabilities				28,070
Total liabilities				**856,461**

	For the year ended 31 December 2017				
	Commercial factoring services	**Finance lease services**	**Other financing services**	**Unallocated items**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Other segment information:					
Depreciation and amortisation	1,971	1,263	3,516	1	6,751
(Reversal of)/provision for impairment loss on trade and loans receivables	(2,563)	786	(10,637)	–	(12,414)
Additions to non-current assets*	90	–	682	–	772

	For the nine months ended 31 December 2016 (Restated)			
	Commercial factoring services	Finance lease services	Other financing services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue:				
Revenue from external customers	14,648	2,750	18,102	35,500
Segment results	**(3,307)**	**(3,837)**	**(9,490)**	**(16,634)**
Reconciliation:				
Bank interest income				1,559
Fair value loss on financial assets at fair value through profit or loss				(5,432)
Finance costs				(1,868)
Exchange loss				(1,093)
Unallocated expenses				(3,632)
Loss before taxation				(27,100)
Taxation				(4,428)
Loss for the period				(31,528)

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

	For the nine months ended 31 December 2016 (Restated)				
	Commercial factoring services	Finance lease services	Other financing services	Unallocated items	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other segment information:					
Depreciation and amortisation	1,142	947	1,993	6	4,088
Impairment loss on trade and loans receivables	3,929	2,339	10,106	–	16,374
Additions to non-current assets*	3,659	–	10,011	–	13,670

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

Geographical information

(a) Revenue from external customers

	For the year ended 31 December 2017 *RMB'000*	For the nine months ended 31 December 2016 *RMB'000* (Restated)
Hong Kong	**1,740**	1,946
Mainland China	**72,067**	33,554
	73,807	35,500

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

(b) Non-current assets

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000* (Restated)
Hong Kong	**884**	1,061
Mainland China	**18,711**	24,553
	19,595	25,614

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

Information about a major customer

Revenue of approximately RMB7,913,000 for the year ended 31 December 2017 (for the nine months ended 31 December 2016: RMB2,558,000) was interest income derived from commercial factoring loans receivables to a major customer.

6 REVENUE, OTHER INCOME AND GAINS/(LOSSES)

Revenue represents the interest income earned during the year/period.

An analysis of revenue, other income and gains /(losses) is as follows:

	For the year ended 31 December 2017	For the nine months ended 31 December 2016
	RMB'000	*RMB'000*
		(Restated)
Interest income		
Commercial factoring loans	**67,770**	14,648
Finance lease receivables	**2,510**	2,750
Real estate-backed loans	**847**	4,017
Personal property pawn loans	**302**	4,268
Other loans receivables	**2,378**	9,817
	73,807	35,500
Other income		
Bank interest income	**16,538**	1,559
Others	**191**	1,773
	16,729	3,332
Other gains/(losses)		
Exchange gain/(loss)	**11,747**	(1,093)
Investment income	**1,578**	–
Fair value loss on financial assets at fair value through profit or loss	**–**	(5,432)
	13,325	(6,525)
	30,054	(3,193)

7 PROFIT/(LOSS) BEFORE TAX

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

	For the year ended 31 December 2017	For the nine months ended 31 December 2016
	RMB'000	*RMB'000*
		(Restated)
(Reversal of)/provision for:		
Impairment of trade and loans receivables *(note 12)*	**(12,414)**	16,374
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	**17,356**	8,174
Retirement benefit scheme contributions	**1,586**	515
	18,942	8,689
Impairment of goodwill	**–**	5,697
Impairment of intangible assets	**–**	4,656
Minimum lease payments under operating leases	**4,700**	3,224
Amortisation of intangible assets	**5,112**	2,711
Legal and professional fees	**6,253**	1,806
Software maintenance	**2,900**	1,633
Depreciation of property, plant and equipment	**1,639**	1,377
Auditor's remuneration	**3,850**	800
Business taxes and other levies	**704**	243

8 FINANCE COSTS

An analysis of finance costs is as follows:

	For the year ended 31 December 2017	For the nine months ended 31 December 2016
	RMB'000	*RMB'000*
		(Restated)
Interest expenses on:		
Bank and other borrowings	**33,255**	7,395
Bonds issued	**2,527**	1,868
	35,782	9,263

9 INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the year ended 31 December 2017 and for the nine months ended 31 December 2016. Mainland China income tax has been provided at the rate of 25% for the year ended 31 December 2017 (for the nine months ended 31 December 2016: 25%) on the estimated assessable profits arising in Mainland China during the year/period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdiction) in which the Group operates.

	For the year ended 31 December 2017 *RMB'000*	For the nine months ended 31 December 2016 *RMB'000* (Restated)
Current income tax		
Mainland China	**3,004**	3,334
Total current tax	**3,004**	3,334
Deferred tax	**186**	1,094
Total tax charge for the year/period	**3,190**	4,428

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

The calculation of the basic earnings/(loss) per share amounts is based on the profit or loss for the year/period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,701,123,120 (for the nine months ended 31 December 2016: 1,517,124,024) in issue during the year/period.

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

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2017 in respect of dilution as the Company had no potential dilutive ordinary shares in issue for the year ended 31 December 2017. The basic earnings per share equals to the diluted earnings per share.

No adjustment has been made to the basic loss per share amounts presented for the nine month ended 31 December 2016 in respect of dilution as the impact of the share options outstanding had an anti-dilutive effect on the loss per share presented.

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

	For the year ended 31 December 2017 *RMB'000*	For the nine months ended 31 December 2016 *RMB'000* (Restated)
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculation	**21,724**	(31,528)

	For the year ended 31 December 2017 *'000*	For the nine months ended 31 December 2016 *'000* (Restated)
Shares		
Weighted average number of ordinary shares in issue during the year/period used in the basic earnings/(loss) per share calculation	**2,701,123**	1,517,124
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	–
	2,701,123	1,517,124

11 DIVIDENDS

The Directors did not recommend the payment of any dividend for the year ended 31 December 2017 and for the nine months ended 31 December 2016.

12 TRADE AND LOANS RECEIVABLES

	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
		(Restated)
Trade and loans receivables		
Commercial factoring loans *(note (a))*	**352,420**	737,406
Finance lease receivables *(note (b))*	**69,233**	49,477
Personal property pawn loans *(note (c))*	**4,551**	36,875
Real estate-backed loans *(note (d))*	**–**	80,750
Other trade and loans receivables *(note (e))*	**–**	88,186
	426,204	992,694
Impairment	**(15,844)**	(28,728)
	410,360	963,966
Carrying amount analysed for reporting purpose:		
Current assets	**353,640**	963,966
Non-current assets	**56,720**	–
	410,360	963,966

The Directors consider that the fair values of trade and loans receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

Notes:

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

(b) Finance lease receivable arising from the Group's financing leasing business, the customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan periods range from 60 days to 1,095 days.

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

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

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

An aging analysis of the trade and loans receivables as at the end of the reporting period is as follows:

	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
		(Restated)
Within 3 months	**398,336**	404,202
3 to 6 months	**9,540**	237,811
6 to 12 months	**4,309**	253,211
Over 12 months	**14,019**	97,470
	426,204	992,694
Impairment	**(15,844)**	(28,728)
	410,360	963,966

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

	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
		(Restated)
Neither past due nor impaired	**412,628**	852,330
Less than 30 days past due	**82**	88,368
30 to 60 days past due	**–**	–
61 to 120 days past due	**–**	7
More than 120 days past due	**–**	–
	412,710	940,705

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

	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
		(Restated)
At beginning of year/period	**28,728**	9,982
Acquisition of a subsidiary	**–**	2,174
Impairment loss recognized	**2,661**	18,869
Impairment loss reversed*	**(15,075)**	(2,495)
Bad debt allowance written off	**(245)**	–
Exchange difference	**(225)**	198
	15,844	28,728

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

Included in the above provision for impairment of trade and loans receivables is a provision for individually impaired trade and loans receivables of approximately RMB13,480,000 (as at 31 December 2016: approximately RMB22,783,000) with a carrying amount before provision of approximately RMB13,494,000 (as at 31 December 2016: approximately RMB51,989,000).

The individually impaired trade and loans receivables relate to customers that were in financial difficulties or were in default in interest and/or principal payments and sufficient impairment has been made on these trade and loans receivables.

The Group has certain concentration risk on trade and loans receivable as it has five (as at 31 December 2016: five) customers with total outstanding balances of approximately RMB310,235,000 (as at 31 December 2016: approximately RMB322,134,000) as at 31 December 2017, and four (as at 31 December 2016: one) customers contribute more that 10% of trade and loans receivable of the Group.

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

13 TRADE PAYABLES

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

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000* (Restated)
Within 1 month	**3,909**	18,459
1 to 2 months	**1,664**	2,018
2 to 3 months	**774**	1,556
Over 3 months	**5,383**	2,517
	11,730	24,550

As at 31 December 2017, the Group had trade payables due to related parties of approximately RMB214,000 (as at 31 December 2016: Nil).

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

14 OPERATING LEASE ARRANGEMENTS

As lessee

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

At 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000* (Restated)
Within one year, inclusive	**3,541**	2,617
In the second to fifth years, inclusive	**3,747**	2,605
After five years	**1,199**	2,800
	8,487	8,022

15 COMPARATIVE AMOUNTS

Certain comparative amounts have been restated in the preparation of the consolidated financial statements mainly as a result of the common control combination using merger accounting and changes in segment reporting to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

During the year ended 31 December 2017 (the "Reporting Period"), the Group, in light of the development of the industry and the regulatory requirements, has been committing to the vision of 'using innovation to promote the development of technology and using technology to drive financial reform', and to the objective of establishing a market-leading comprehensive financial technology services group. The Group has been actively improving the industry and service system, so as to provide high-quality financial services with high efficiency, accuracy and security for its customers.

The Group remains positive with the growth potential of the PRC market. Focusing on the commercial factoring and financial leasing businesses, the Group has also placed greater effort in expanding its businesses, leveraged on GOME Group's brand and industry chain resources, integrated innovative products and services and continued to expand its business scale. The Group has proactively responded to the regulatory policies in Mainland China, optimized its business structure in a timely manner, and realized considerable growth in the business scale even under the macro environment of tightening regulations. During the Reporting Period, the transaction volume of the commercial factoring business was approximately RMB2,387,223,000, representing an increase of 297.66% as compared with the nine months ended 31 December 2016 (the 'Corresponding Period'); the transaction volume of the financial leasing business was approximately RMB66,804,000, representing an increase of 51.73% over the Corresponding Period.

During the Reporting Period, the Group recorded an operating revenue of approximately RMB73,807,000, representing an increase of 107.91% as compared with the Corresponding Period. Profit attributable to the owners of the Company was approximately RMB21,724,000, representing an increase of approximately RMB53,252,000 over the Corresponding Period, and hence realizing a turnaround in business.

The management of the Group strongly believes that by accelerating the pace of business layout, and by optimizing and upgrading its products and services, the Group will be able to maintain its fast growth and achieve better performance in its operating results in future.

INDUSTRY ENVIRONMENT

In 2017, the global economy performed well and the recovery synchronization of major economies has significantly increased. The economic recovery has spread from the United States to many advanced economies and emerging economies. Global trade and cross-border capital flows have recovered remarkably. Global debt levels remained high, the US dollar continued to depreciate after the Federal Reserve raised interest rates, and the pressure of financial market volatility risk has increased.

In 2017, Mainland China's economy maintained its stable growth. The supply-side structural reform steadily progressed, and new momentum, new industries and new industries has accelerated their growth. The annual GDP growth rate was 6.9%, representing a pick-up of growth rate for the first time in seven years. The year-on-year PPI rose 6.3%, ending a continuous 5-year downward cycle. Gross national income further increased, while a relatively fast growth in consumption has been maintained. The financial markets has seen robust development, liquidity has remained at a reasonable level with constant progress in credit and social financing. Investment growth rate has slowed down but the investment in the private sector rebounded. RMB has continued its appreciation and the foreign exchange reserves have resumed its growth. However, the debt level is still at a historical high and the task of strictly controlling financial risks is arduous. The foundation of economic recovery still needs to be further consolidated.

In 2017, with the integration of innovative technologies, the internet finance of the PRC is gradually transforming from user traffic driven to financial technology driven, and financial technology companies have been developing rapidly. Since 2015, Chinese financial technology companies have achieved a flying development in technological innovations and applications such as cloud computing, big data, blockchain, and artificial intelligence. Financial boundaries have continued to widen. Financial technology companies have gradually involved in the financial systems of traditional financial institutions and become important participants in the field.

In 2017, the financial regulatory authorities have stepped up its effort to lead to the compliance, as well as the robust and healthy development of the financial technology sector. The overall regulatory environment has been tightened. Under such background, quality companies with scene, technology and traffic advantages are facing opportunities for development.

BUSINESS REVIEW

During the Reporting Period, the Group gave full play to GOME's resources and brand advantages, and comprehensively upgraded its business and expanded its scale. Relying on the business scene of GOME Group to cater to the market, Gome Xinda Commercial Factoring Limited (hereinafter as "Xinda Factoring"), a subsidiary of the Company, has integrated its business with GOME's with regard to their logistics and storage databases on the retail end, and comprehensively implemented the full-chain data cross-validation of charged goods from production, transportation, storage to sales, to better its supply chain services for companies. In the meantime, based on the data and experience accumulated since 2016, Xinda Factoring has proactively expanded its business out of the GOME ecosystem, providing factoring services to the upstream and downstream enterprises of the industry chain with a particular focus on the core companies which are mainly listed companies. At present, Xinda Factoring is deeply engaged in various industries, including industrial and real estate, and has established close co-operation relationships with established leading enterprises, including Lonkey Industrial and Greenland Construction. During the Reporting Period, the Group recorded an operating revenue generated from the factoring business of RMB67,770,000, representing an increase of 362.66% over the corresponding period last year.

By completing the acquisition of 100% interest of Tianjin Financial Leasing in January 2017, and with the support of GOME Group's industry chain and the equipment financing and other equipment financial leasing business of developers and manufacturers, the Group has expanded the portfolio of its existing financial products and services. During the Reporting Period, the Group recorded an operating revenue generated from the financial leasing business of RMB2,510,000.

In October 2017, Gome Wangjin (Beijing) Technology Co., Ltd (國美網金(北京)科技有限公司) has been established to accelerate the expansion of financial technology service business.

FINANCIAL REVIEW

Results highlights

The acquisition of Tianjin Financial Leasing took place during the Reporting Period belongs to business combination under common control. Therefore, the statements of last year's comparable period have been restated and adjusted accordingly so that the period under common control between 5 September 2016 and 31 December 2016 has been included in the restated period of last year's comparable period.

During the Reporting Period, the Group recorded an operating revenue of approximately RMB73,807,000, representing an increase of RMB38,307,000 (107.91%) over RMB35,500,000 for the Corresponding Period. The increase in revenue was mainly attributable to the increase in revenue amounting to RMB53,122,000 due to the increase in scale of commercial factoring business, while there was a decrease in revenue of RMB14,575,000 due to the decrease in scale of other financing services business, as the Group placed emphasis on commercial factoring and financial leasing businesses for its core business strategies during the Reporting Period. During the Reporting Period, profit attributable to the owners of the Company was approximately RMB21,724,000 (for the nine months ended 31 December 2016: loss of RMB31,528,000). The turnaround in the results for the Reporting Period was mainly attributable to the following reasons: (1) the Group recorded a profit from operations of commercial factoring business of approximately RMB10,701,000 during the Reporting Period (for the nine months ended 31 December 2016: RMB622,000) due to the increase in scale of commercial factoring business and an increase in revenue; meanwhile, the Group recorded a loss from operations of other financial services business of approximately RMB3,291,000 during the Reporting Period (for the nine months ended 31 December 2016: profit of RMB10,969,000) due to the decrease in scale of other financial services business and a decrease in revenue, offsetting the contribution of the commercial factoring business to profit to some extent; (2) a reversal of recognised impairment loss of approximately RMB12,414,000 recorded by the Group during the Reporting Period on the Group's trade and loans receivables (for the nine months ended 31 December 2016: provision for impairment loss on trade and loans receivables of RMB16,374,000); (3) during the Reporting Period, the Group did not recognise the relevant provision for the impairment loss of goodwill; and (4) the Group recorded a loss on disposal of listed securities invested by the Group amounted to approximately RMB5,432,000 for the Corresponding Period, while such loss was recognised by the Group during the Reporting Period. Basic earnings per share for the Reporting Period were RMB0.80 cents (basic loss per share for the nine months ended 31 December 2016: RMB2.08 cents). The board of directors of the Company did not recommend the payment of an final dividend for the Reporting Period (for the nine months ended 31 December 2016: Nil).

In 2016, the presentation currency of the Group's consolidated financial statements was changed to RMB from HKD in order to present a more accurate picture of the Group's financial performance.

Commercial factoring business

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

	For the year ended 31 December 2017 *RMB'000*	For the nine months ended 31 December 2016 *RMB'000*
Revenue	**67,770**	14,648
Operating expenses	**(57,069)**	(14,026)
Operating earnings	**10,701**	622
Reversal of/(provision for) impairment loss on trade and loans receivables	**2,563**	(3,929)
Segment results	**13,264**	(3,307)

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

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

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

	31 December 2017		31 December 2016	
	Gross balance	**Impairment provision**	Gross balance	Impairment provision
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Normal	**347,146**	**1,696**	731,877	3,949
Special mention	**–**	**–**	–	–
Substandard	**–**	**–**	208	52
Doubtful	**–**	**–**	–	–
Loss	**5,274**	**5,274**	5,321	5,321
	352,420	**6,970**	737,406	9,322

Financial leasing business

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

	For the year ended 31 December 2017	For the nine months ended 31 December 2016
	RMB'000	*RMB'000*
Revenue	**2,510**	2,750
Operating expenses	**(8,552)**	(4,248)
Operating loss	**(6,042)**	(1,498)
Impairment loss on trade and loans receivables	**(786)**	(2,339)
Segment results	**(6,828)**	(3,837)

The increase in operating loss of the financial leasing business for the period as compared with that of the Corresponding Period was mainly due to relatively more marketing and channel promotional fees incurred in the preliminary period of the new vehicle leaseback business "Mei Yi Che" ("美易車") and the mobile phone leaseback business "Guo Mei Zu Zu" ("國美租租") launched by the Group during the year, while the revenue is realised by instalments during the lease terms.

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

	31 December 2017		31 December 2016	
	Gross balance	**Impairment provision**	Gross balance	Impairment provision
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Normal	**65,484**	**652**	45,394	358
Special mention	**80**	**16**	454	9
Substandard	**34**	**20**	–	–
Doubtful	**–**	**–**	4	2
Loss	**3,635**	**3,635**	3,625	3,625
	69,233	**4,323**	49,477	3,994

Other financing services business

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

	For the year ended 31 December 2017	For the nine months ended 31 December 2016
	RMB'000	*RMB'000*
Revenue	**3,527**	18,102
Operating expenses	**(6,818)**	(7,133)
Operating (loss)/earnings	**(3,291)**	10,969
Reversal of / (provision for) impairment loss on trade and loans receivables	**10,637**	(10,106)
Impairment of goodwill	**–**	(5,697)
Impairment of intangible assets	**–**	(4,656)
Segment results	**7,346**	(9,490)

The significant decrease in revenue and segment results of the other financing services business for the year as compared with that of the comparable period was mainly due to, as mentioned above, the adjustment of the Group's focus of business strategies to the commercial factoring business and financial leasing business.

Interest income of other financing services business

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

	For the year ended 31 December 2017	For the nine months ended 31 December 2016
	RMB'000	*RMB'000*
Real estate-backed loans	**847**	4,017
Personal property pawn loans	**302**	4,268
Other loans receivables	**2,378**	9,817
Total	**3,527**	18,102

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

	31 December 2017		31 December 2016	
	Gross balance	**Impairment provision**	Gross balance	Impairment provision
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Normal	**–**	**–**	162,980	1,629
Special mention	**–**	**–**	–	–
Substandard	**–**	**–**	38,257	9,209
Doubtful	**–**	**–**	–	–
Loss	**4,551**	**4,551**	4,574	4,574
	4,551	**4,551**	205,811	15,412

Key operating data of the Group

	For the year ended 31 December 2017 *RMB'000*	For the nine months ended 31 December 2016 *RMB'000*
Net loan balance	**410,360**	963,966
Gross loan balance	**426,204**	992,694
– Hong Kong	**–**	28,256
– PRC	**426,204**	964,438
Total return on loans (revenue/average gross loan balance)		
– Hong Kong	**10.89%**	9.97%
– PRC	**9.49%**	8.68%
Allowance to loans ratio (impairment allowance as% of gross loan balance)	**3.72%**	2.89%
Non-performing loan ratio (gross non-performing loan balance as% of gross loan balance)	**3.17%**	5.24%
Allowance coverage ratio (impairment allowance as% of gross non-performing loan balance)	**117.43%**	55.25%

As at the end of the Reporting Period, the Group's net loan balance and gross loan balance decreased by approximately RMB553,606,000 (57.43%) and approximately RMB566,490,000 (57.07%) respectively as compared with those at the end of 2016,. Such decrease was primarily due to the fact that: (1) the Group adjusted its core business strategies during the Reporting Period which led to a decline in other financing services business, and the trade receivables were recovered when due; and (2) the balance of asset loans at year-end decreased as compared with that at the end of the previous year, when the Group started refactoring without recourse business with other companies in the industry to improve asset liquidity for the year.

Compared with the end of 2016, the allowance to loans ratio and allowance coverage ratio increased while the non-performing loan ratio decreased for the Reporting Period, reflecting the improvement of the Group's loan quality at the end of the year. The changes in the above indicators were mainly due to (1) the decrease in gross loan balance of approximately RMB566,490,000 (57.07%) for the Reporting Period as mentioned above; and (2) the decrease in non-performing loan balance of approximately RMB38,280,000 (89.37%) as compared with that at the end of 2016 as a significant part of trade receivables of the other financing services business has been recovered.

Loan quality analysis and impairment allowances

During the Reporting Period, net amount for the reversal of impairment loss on trade and loans receivables was approximately RMB12,414,000 (for the nine months ended 31 December 2016: provision for impairment loss on trade and loans receivables of approximately RMB16,374,000). This included charges for impairment allowance on loans receivable of approximately RMB2,661,000 (for the nine months ended 31 December 2016: RMB18,869,000), deducting the reversal of impairment loss of approximately RMB15,075,000 (for the nine months ended 31 December 2016: RMB2,495,000).

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000*
At beginning of year/period	**28,728**	9,982
Acquisition of a subsidiary	**–**	2,174
Impairment loss recognised	**2,661**	18,869
Impairment loss reversed	**(15,075)**	(2,495)
Bad debt allowance written off	**(245)**	–
Exchange difference	**(225)**	198
At end of the period	**15,844**	28,728

Other gains and losses

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

	For the year ended 31 December 2017 *RMB'000*	For the nine months ended 31 December 2016 *RMB'000*
Fair value loss on financial assets at fair value through profit or loss	**–**	(5,432)
Investment income	**1,578**	–
Exchange gain/(loss)	**11,747**	(1,093)
	13,325	(6,525)

PROSPECTS

Going forward, with the continuous maturation and extended application of leading technologies, such as cloud computing, Internet of Things, big data, biometrics, blockchain, and artificial intelligence, financial services will continue to develop towards the direction of having high-efficiency and low-cost, as well as offering high-quality experiences. The Group will adhere to its strategic main-line of "using innovation to promote the development of technology and using technology to drive financial reform", actively expand its strategic layout on the financial technology field, and expand the risk control service system driven by large data and artificial intelligence with the resources advantage of GOME Group to enrich its system of financial products. Through continuously cultivating new points of growth, the comprehensive financial system of the group will be further enhanced.

At present, China's financial technology industry is still in its early stages of development, and its market capacity and development potential are huge. Facing the changing industry conditions and regulatory environment, the Group will adhere to the trend of the financial technological industry's development and actively innovate its business development model and optimize its business structure on top of the consolidation of its existing business development. It will further strengthen its business monitoring and risk management, standardize its business development and improve its corporate governance structure, so as to enhance its integrated financial services capability and core market competitiveness, to promote the sustained, healthy and rapid development of the Group, and to create greater value for all shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position is sound with strong equity and working capital bases. As at 31 December 2017, the Group's total equity amounted to approximately RMB1,719,025,000, representing a slight decrease of 3.97% compared with that as at 31 December 2016. As at 31 December 2017, the Group's cash and cash equivalents totaled approximately RMB708,401,000 (as at 31 December 2016: RMB789,683,000). During the Reporting Period, the Group incurred a total of approximately RMB168,494,000 (for the nine months ended 31 December 2016: RMB813,716,000) cash outflow from its operating activities. The Group's current ratio as at 31 December 2017 was 3.01 (as at 31 December 2016: 3.63). The Group's gearing ratio, expressed as percentage of total liabilities except and tax payable over the Group's total equity was 49.57% (as at 31 December 2016: 39.41%).

The Group has issued an 8-year corporate bond with principal of HKD35.0 million, which is due in 2022 and 2023 and carries interest at fixed rate of 7.0% per annum with interest payable in arrears. The corporate bond is unsecured and repaid in par on the maturity date.

The Group had no particular seasonal pattern of borrowing. As at 31 December 2017, the Group's borrowings comprised non-current portion (over 1 year) and current portion (within 1 year), which amounted to approximately RMB802,635,000 (as at 31 December 2016: RMB664,660,000). The Group's current borrowings of approximately RMB776,000,000 were made at fixed and floating interest rates. The weighted average effective interest rates on secured current borrowings for the Reporting Period were 4.1325% to 4.35% per annum.

As at 31 December 2017, the Group's borrowings were denominated in RMB and HKD, amounting to approximately RMB776,000,000 and approximately HKD31,864,000 (equivalent to approximately RMB26,635,000), respectively.

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

CAPITAL STRUCTURE

During the Reporting Period, there is no change in the issued capital of the Company and the Company's number of issued ordinary shares remained at 2,701,123,120 as at 31 December 2017.

GROUP STRUCTURE

During the Reporting Period, United Universal Limited, an indirect wholly-owned subsidiary of the Company, acquired 100% interest of Tianjin Gome Financial Leasing Company Limited, a company incorporated in the PRC and engaged in financial leasing business in the PRC. In addition, Gome Finance Technology (Hong Kong) Co., Limited, a wholly-owned subsidiary of the Company, formed Gome Wangjin (Beijing) Technology Co., Ltd., a company incorporated in the PRC but did not commence operations during the Reporting Period.

Save as disclosed above, the Group did not have any acquisitions and disposals of subsidiaries during the year ended 31 December 2017.

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

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

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2017, certain Group's bank deposits in the amount of approximately RMB831,464,000 (as at 31 December 2016: 665,996,000) were pledged to secure banking facilities of the Group and the Group did not have any material contingent liabilities (as at 31 December 2016: Nil).

COMMITMENTS

As at 31 December 2017, the Group had loans commitment in the amount of RMB144,000,000 (as at 31 December 2016: Nil), which are contracted but not provided for. Rental payment under non-cancellable leases amounted to approximately RMB8,487,000 (as at 31 December 2016: RMB8,022,000).

TREASURY POLICIES

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

EMPLOYEES AND EMOLUMENT POLICY

The Group employed 76 employees in total as at 31 December 2017 (as at 31 December 2016: 90). The Group implemented its remuneration policy, bonus, and share option schemes based on the performance of the Group and its employees. The Group provided benefits such as social insurance and pensions to ensure competitiveness.

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

USE OF NET PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES

The below table sets out the proposed application of net proceeds from the subscription of new shares on 5 September 2016, and usage up to 31 December 2017:

	Proposed application of net proceeds	**Actual usage up to 31 December 2017**
	HKD million	*HKD million*
Provision of commercial factoring services	700.0	463.1
Provision of financial leasing services	350.0	350.0
Development and promotion of third party payment service business	380.0	380.0
Marketing and promotion of financial service business	100.0	–
General working capital	44.5	14.9
	1,574.5	1,208.0

Other matters

Change of company name

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

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

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 Rules Governing the Listing of Securities on the HKEx (the "Listing Rules") throughout the year ended 31 December 2017, except for the following deviations:

i. **Code provision A.2.1 and Code provision A.2.7**

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual and according to code provision A.2.7 of the CG Code, chairman should at least annually hold meetings with the non-executive directors without the executive directors present.

Mr. Chung Tat Fun had assumed the duties of the Chairman of the Board and the chief executive officer ("CEO") of the Company until 7 April 2017, when he stepped down from the positions of CEO and the Chairman of the Board and Mr. Liu Xiaopeng was appointed as CEO and as executive Director on 7 April and 26 August 2017, respectively. After his appointment as executive Director, Mr. Liu Xiaopeng had assumed the duties of the chairman and the chief executive of the Company. The Board considered that while vesting the roles of chairman and CEO in the same person can facilitate the execution of the Group's business strategies and maximizes effectiveness of its operation, the Board nevertheless reviews the structure of the Board from time to time and is considering suitable candidate to be elected as the Chairman such that the Company can be able to comply with code provision A.2.1 and A.2.7 of the CG Code.

ii. **Code provision A.6.7**

Pursuant to code provision A.6.7 of the CG Code, independent non-executive directors and non-executive directors should attend general meetings in order to develop a balanced view of the shareholders. Due to the various business commitments, not all the independent non-executive Directors and non-executive Director of the Company attended the special general meetings of the Company held on 6 February and 25 July 2017 and the annual general meeting of the Company held on 23 May 2017. The Company will finalize and inform the dates of the general meetings as earliest as possible to make sure that all the independent non-executive Directors and non-executive Director can attend the general meetings in future.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 December 2017.

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 year ended 31 December 2017.

AUDIT COMMITTEE

The Company has an Audit Committee, which was established in accordance with Rule 3.21 of the Listing Rules with primary duties of reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management. 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 audited consolidated financial results of the Company for the year ended 31 December 2017, before proposing them to the Board for approval.

PUBLICATION OF FINANCIAL INFORMATION

This announcement is published on the websites of the HKEx (www.hkexnews.hk) and the Company (www.gomejr.com). The Company's annual report for the year ended 31 December 2017 containing all information required by the Listing Rules will be dispatched to the Shareholders of the Company and available on the above websites in due course.

By Order of the Board
Gome Finance Technology Co., Ltd.
Liu Xiaopeng
Executive Director

Hong Kong, 29 March 2018

As at the date of this announcement, the Company's executive Directors are Mr. Chung Tat Fun, Mr. Ding Donghua, Mr. Liu Xiaopeng and Ms. Chen Wei; the non-executive Director is Ms. Wei Qiuli; and the independent non-executive Directors are Mr. Zhang Liqing, Mr. Li Liangwen, Mr. Hung Ka Hai Clement and Mr. Wan Jianhua.