

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GOLD-FINANCE HOLDINGS LIMITED

金誠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1462)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

The board (the “Board”) of directors (the “Directors”) of Gold-Finance Holdings Limited (the “Company”) is pleased to present the consolidated results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2018 together with comparative figures for the previous year as follows:

FINANCIAL HIGHLIGHTS

Key financial results

- Revenue increased to HK\$749,482,000 (2017: HK\$740,007,000), including revenue generated by investment and asset management services segment grew by approximately 48.7 times to HK\$117,222,000 (2017: HK\$2,359,000)
- EBITDA grew by approximately 29.7 times to HK\$219,409,000 (2017: HK\$7,138,000)
- Profit before tax grew by approximately 58.5 times to HK\$209,591,000 (2017: HK\$3,525,000), inclusive of net property revaluation gain of HK\$85,909,000 (2017: HK\$400,000)
- Basic earnings per share was HK3.98 cents (2017: HK0.01 cents)
- Equity attributable to owners of the parent as at 31 March 2018 amounted to HK\$445,794,000 (2017: HK\$256,256,000)
- Net assets as at 31 March 2018 amounted to HK\$487,834,000 (2017: HK\$256,256,000)
- Total assets as at 31 March 2018 amounted to HK\$1,292,122,000 (2017: HK\$445,261,000)

RESULTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	<i>Percentage</i> <i>Change</i>
Revenue	749,482	740,007	1%
Investment and asset management services	117,222	2,359	>100%
Building services	631,937	737,648	-14%
Property investment and development	323	—	N/A
Segment results	204,906	16,994	>100%
Investment and asset management services	111,069	1,819	>100%
Building services	13,988	15,175	-8%
Property investment and development	79,849	—	N/A
Profit before tax	209,591	3,525	>100%
EBITDA	219,409	7,138	>100%
Earnings Per Share (HK)	3.98 cents	0.01 cents	>100%

FINANCIAL POSITION

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	<i>Percentage</i> <i>Change</i>
Equity attributable to owners of the parent	445,794	256,256	74%
Net Assets	487,834	256,256	90%
Total Assets	1,292,122	445,261	>100%

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

Year ended 31 March 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
REVENUE	4, 5	749,482	740,007
Cost of services provided		<u>(620,117)</u>	<u>(707,352)</u>
Gross profit		129,365	32,655
Fair value gain on investment properties		85,909	400
Other income and gains, net	5	47,597	4,807
Administrative expenses		(47,190)	(34,337)
Fair value loss on financial assets at fair value through profit or loss		(268)	—
Finance costs	6	<u>(5,822)</u>	<u>—</u>
PROFIT BEFORE TAX	7	209,591	3,525
Income tax expense	8	<u>(50,149)</u>	<u>(3,156)</u>
PROFIT FOR THE YEAR		<u>159,442</u>	<u>369</u>
OTHER COMPREHENSIVE INCOME/ (LOSS)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		21,364	—
Reclassification adjustments for gains included in profit or loss			
— Gain on disposal		<u>(20,702)</u>	<u>—</u>
		662	—
Exchange differences on translation of foreign operations		<u>19,347</u>	<u>(17)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>20,009</u>	<u>(17)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>179,451</u>	<u>352</u>

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit attributable to:			
Owners of the parent		159,354	369
Non-controlling interests		88	—
		<u>159,442</u>	<u>369</u>
Total comprehensive income attributable to:			
Owners of the parent		179,286	352
Non-controlling interests		165	—
		<u>179,451</u>	<u>352</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	10		
Basic		HK3.98 cents	HK0.01 cents
Diluted		HK3.98 cents	HK0.01 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		66,554	64,202
Investment properties	11	601,754	8,300
Available-for-sale investments	12	37,662	—
Pledged deposit for a life insurance product		6,594	6,445
Investment in a film		13,844	—
Deposit paid for the acquisition of an equity interest in an investment		—	50,509
Prepayment, deposits and other receivables		5,989	—
		<hr/>	<hr/>
Total non-current assets		732,397	129,456
CURRENT ASSETS			
Gross amount due from customers for contract works		41,223	34,401
Accounts receivable	13	114,638	136,380
Prepayments, deposits and other receivables		61,387	3,307
Tax recoverable		188	2,395
Financial assets at fair value through profit or loss		15,167	20,213
Cash and bank balances		327,122	119,109
		<hr/>	<hr/>
Total current assets		559,725	315,805
CURRENT LIABILITIES			
Accounts and bills payables	14	63,309	53,697
Accruals of costs for contract works		56,641	113,898
Other payables and accruals		257,748	4,899
Receipts in advance		31,117	15,264
Interest-bearing bank and other borrowings		90,000	—
Tax payable		13,347	504
		<hr/>	<hr/>
Total current liabilities		512,162	188,262
NET CURRENT ASSETS		<hr/> 47,563 <hr/>	<hr/> 127,543 <hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 779,960 <hr/>	<hr/> 256,999 <hr/>

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		213,094	—
Convertible bonds		56,193	—
Deferred tax liabilities		22,839	743
		<hr/>	<hr/>
Total non-current liabilities		292,126	743
		<hr/>	<hr/>
Net assets		487,834	256,256
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Issued capital	15	4,000	4,000
Reserves		441,794	252,256
		<hr/>	<hr/>
		445,794	256,256
Non-controlling interests		42,040	—
		<hr/>	<hr/>
Total equity		487,834	256,256
		<hr/> <hr/>	<hr/> <hr/>

NOTES

1. CORPORATE AND GROUP INFORMATION

Gold-Finance Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at 2806–2807, 28/F., Champion Tower, 3 Garden Road, Central, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the following principal activities:

- Investment and asset management services in the People’s Republic of China (“PRC”)
- Property investment and development in the PRC
- Building services in Hong Kong

As at 31 March 2018, the immediate holding company of the Company is Gold-Finance (Hong Kong) Asset Management Limited, which was incorporated in Hong Kong, and the ultimate holding company of the Company is Xinyu Jin Cheng Industrial Group Co. Limited# (新余金誠實業集團有限公司) (formerly known as “Ningbo He Ze Run Industrial Investments Limited# (寧波和澤潤實業投資有限公司)”), which was incorporated in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are set out below:

Company name	Place of incorporation/ registration and place of operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Fungs E & M Engineering Company Limited ("Fungs E & M")	Hong Kong	HK\$4,800,000	—	100	Provision of building services
Hangzhou Jinkai Yuanguan Investment Management Company Limited# ("Hangzhou Jinkai Yuanguan") (杭州金開圓觀投資管理有限公司*)	PRC	USD2,500,000/ USD10,000,000	—	100	Treasury investment
Hangzhou Jin Zhong Xing Investment Management Company Limited# ("Hangzhou Jin Zhong Xing") (杭州金仲興投資管理有限公司*)	PRC	RMB10,000,000	—	100	Provision of investment and asset management services
Xinyu Guan Yue Investment Management Company Limited# ("Xinyu Guan Yue") (新余觀悅投資管理有公司*)	PRC	RMB2,600,000/ RMB10,000,000	—	100	Provision of investment and asset management services
GF Management (HK) Limited	Hong Kong	HK\$50,000,000	—	100	Treasury investment
Baoming Real Estate (Suzhou) Limited ("Baoming Suzhou")# (寶明地產(蘇州)有限公司*)	PRC	RMB57,000,000/ RMB10,000,000,000	—	99.7	Investment holding

Company name	Place of incorporation/ registration and place of operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Yang Zhou Youxiang IoT Technology Co., Limited [#] (揚州有象物聯科技有限公司*)	PRC	USD11,502,719/ USD40,000,000	—	98.9	Property investment and development
Yang Zhou Jincheng Star Commercial Development Co., Limited [#] (揚州金誠之星商業發展有限公司*)	PRC	USD2,503,771/ USD80,000,000	—	99.8	Property investment and development
Huaian City Baoming Intelligence Industrial Zone Co., Limited [#] (淮安市寶明智業產業園有限公司*)	PRC	USD17,353,587/ USD40,000,000	—	98.9	Property investment and development
Xuyi Baoming Real Estate Co., Limited [#] (盱眙寶明置業有限公司*)	PRC	USD3,000,000/ USD5,000,000	—	100	Property investment and development
Yueyang Baoming Real Estate Development Co., Limited [#] (岳陽寶明置業發展有限公司*)	PRC	RMB5,000,000/ RMB20,000,000	—	99.7	Property investment and development
Xiang Shan Baoming Sport & Culture Development Co., Limited [#] (象山寶明體育文化發展有限公司*)	PRC	RMB73,730,000/ RMB2,000,000,000	—	99.7	Property investment and development

* Incorporated as a limited liability company under PRC law.

The English names of the companies are for identification purposes only as they have not registered any official English names.

On 1 August 2017, the Group acquired Xinyu Guan Yue from Zhejiang Chengze Jinkai Investment Management Company Limited (浙江誠澤金開投資管理有限公司), which was beneficially wholly-owned by Mr. Wei Jie (“Mr. Wei”), the controlling shareholder, chairman and chief executive officer of the Company by cash consideration of RMB500,000 (equivalent to HK\$580,000).

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

2. BASIS OF PREPARATION

This financial information has been prepared in accordance with the 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 (the “HKICPA”), 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 investment properties, available-for-sale investments and financial assets at fair value through profit or loss which have been measured at fair value. This financial information is presented in Hong Kong dollars (“HK\$”), which is the Company’s functional and presentation currency and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014–2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements. While the 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.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and service and has three reportable operating segments as follows:

- Investment and asset management services segment — provision of investment and asset management services in the PRC[#]
- Property investment and development segment in the PRC*
- Building services segment — Provision of building service in Hong Kong

[#] Commenced in December 2016 upon the completion of the acquisition of 100% equity interest in Hangzhou Jin Zhong Xing.

* Commenced in June 2017 upon the completion of the acquisition of 100% equity interest in Bao Ming (Hong Kong) Real Estate Group Limited (“Bao Ming (Hong Kong)”).

Management monitors the results of the Group's operating segments separately for the purpose of making decision about resource allocations 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 interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deposit paid for the acquisition of an equity interest in an investment, investment in a film, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, convertible bonds and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

	Investment and asset management services		Property investment and development		Building services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:	117,222	2,359	323	—	631,937	737,648	749,482	740,007
Segment results	111,069	1,819	79,849	—	13,988	15,175	204,906	16,994
Interest income							813	2,807
Corporate and other unallocated income							24,114	—
Corporate and other unallocated expenses							(14,420)	(16,276)
Finance costs							(5,822)	—
Profit before tax							209,591	3,525
Assets								
Segment assets	138,731	21,197	617,856	—	191,464	254,176	948,051	275,373
Corporate and other unallocated assets							344,071	169,888
Total assets							1,292,122	445,261
Liabilities								
Segment liabilities	53,056	15,986	47,740	—	99,261	171,281	200,057	187,267
Corporate and other unallocated liabilities							604,231	1,738
Total liabilities							804,288	189,005

	Investment and asset management services		Property investment and development		Building services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment disclosures								
Capital expenditure*								
Operating segment	<u>81</u>	<u>674</u>	<u>490,365</u>	<u>—</u>	<u>4,557</u>	<u>5,638</u>	<u>495,003</u>	<u>6,312</u>
Unallocated							<u>—</u>	<u>22</u>
							<u>495,003</u>	<u>6,334</u>
Depreciation								
Operating segment	<u>176</u>	<u>28</u>	<u>156</u>	<u>—</u>	<u>3,660</u>	<u>3,581</u>	<u>3,992</u>	<u>3,609</u>
Unallocated							<u>4</u>	<u>4</u>
							<u>3,996</u>	<u>3,613</u>
Fair value gain on investment properties	<u>—</u>	<u>—</u>	<u>85,209</u>	<u>—</u>	<u>700</u>	<u>400</u>	<u>85,909</u>	<u>400</u>

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

Geographical information

(a) Revenue from external customers

	2018	2017
	HK\$'000	HK\$'000
Hong Kong	631,937	737,648
PRC	<u>117,545</u>	<u>2,359</u>
	<u>749,482</u>	<u>740,007</u>

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

(b) Non-current assets

	2018	2017
	HK\$'000	HK\$'000
Hong Kong	73,204	72,502
PRC	595,449	—
Cambodia	<u>—</u>	<u>50,509</u>
	<u>668,653</u>	<u>123,011</u>

The non-current asset information is based on the locations of the assets and excludes available-for-sale investments, investment in a film, pledged deposit for a life insurance product and financial assets in prepayments, deposits and other receivables.

Information about major customers

Revenue from each major customer, which were all derived from the Group's building services segment, which accounted for 10% or more of the Group's revenue for the year is set out below:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Customer A	190,264	104,524
Customer B	103,748	N/A*
Customer C	103,623	207,048
Customer D	N/A*	154,077
	<u> </u>	<u> </u>

* Less than 10% of the Group's revenue

Except for the aforesaid, no revenue from a single external customer accounted for 10% or more of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents the appropriate proportion of contract revenue from construction, renovation and other contracts and the invoiced value of services rendered, net of value-added tax, during the year.

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue		
Contract revenue	631,721	737,648
Investment and asset management fee income	117,222	2,359
Rental income from investment properties	539	—
	<u> </u>	<u> </u>
	749,482	740,007
	<u> </u>	<u> </u>
Other income and gains, net		
Interest income	813	2,807
Management fee income	1,405	1,734
Investment advisory income	10,251	—
Gain on disposal of items of property, plant and equipment	149	—
Gain on disposal of financial assets at fair value through profit or loss	9,768	—
Gain on disposal of available-for-sale investments, net	20,702	—
Fair value gain on the derivative component of convertible bonds	716	—
Gain on modification of convertible bonds	684	—
Foreign exchange differences, net	2,685	35
Gross rental income	—	216
Sundry income	424	15
	<u> </u>	<u> </u>
	47,597	4,807
	<u> </u>	<u> </u>

6. FINANCE COSTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Interest on convertible bonds	2,492	—
Interest on bank and other borrowings	3,330	—
	<u>5,822</u>	<u>—</u>

7. PROFIT BEFORE TAX

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Contract cost	597,787	707,315
Cost of management services provided	22,330	37
Depreciation	3,996	3,613
Auditor's remuneration	1,925	1,435
Minimum lease payments under operating leases	1,245	141
Loss/(gain) on disposal of items of property, plant and equipment	(149)	2
Employee benefit expense (exclusive of directors' remuneration):		
Wages and salaries	43,114	37,814
Pension scheme contributions (defined contribution scheme)	1,794	871
	<u>44,908</u>	<u>38,685</u>

8. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Tax on profits assessable has been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current — Hong Kong		
Charge for the year	3,439	2,224
Overprovision in prior years	(17)	(130)
Current — PRC	25,745	503
Deferred	20,982	559
	<u>50,149</u>	<u>3,156</u>
Total tax charge for the year	<u>50,149</u>	<u>3,156</u>

9. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year (2017: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share for the year ended 31 March 2018 is based on the profit for the year attributable to ordinary equity holders of the parent of HK\$159,354,000 (2017: HK\$369,000) and the weighted average number of ordinary shares of 4,000,000,000 (2017: 4,000,000,000) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest, gain on modification and fair value gain on the derivative component on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings 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.

The calculations of basic and diluted earnings per share are based on:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	<u>159,354</u>	<u>369</u>
Interest on convertible bonds	2,492	—
Gain on modification of convertible bonds	(684)	—
Fair value gain on the derivative component of the convertible bonds	<u>(716)</u>	—
Profit attributable to ordinary equity holders of the parent used in the diluted earnings per share calculation	<u>160,446</u>	<u>369</u>
	Number of shares	
	2018	2017
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u>4,000,000,000</u>	<u>4,000,000,000</u>
Effect of dilution-weighted average number of ordinary shares:		
Share options	952,671	—
Convertible bonds	<u>30,297,333</u>	—
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	<u>4,031,250,004</u>	<u>4,000,000,000</u>

11. INVESTMENT PROPERTIES

(a) Addition

During the year, additions to investment properties and investment properties under development amounted to HK\$488,002,000 (2017: Nil).

(b) Valuation

The fair value gain of investment properties and investment properties under development of the Group for the year ended 31 March 2018 was HK\$85,909,000 (2017: HK\$400,000).

12. AVAILABLE-FOR-SALE INVESTMENTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Unlisted fund investments, at fair value	<u>37,662</u>	<u>—</u>

13. ACCOUNTS RECEIVABLE

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Due from third parties	<u>114,638</u>	<u>136,380</u>

Accounts receivable mainly represented receivables for investment and asset management and contract works.

The payment terms of receivables for investment and asset management are due upon billing. The payment terms of receivables for contract works are stipulated in the relevant contracts and the receivables are usually due for settlement within 30 days after the customers receive interim payment from their project employers.

As at 31 March 2018, retentions receivable included in accounts receivable amounted to HK\$44,250,000 (2017: HK\$35,752,000), which are repayable within terms ranging from one to three years. The entire amount is expected to be recovered more than twelve months after the reporting period.

The credit terms offered to the related parties are similar to those offered to other major independent customers of the Group.

The ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice date, is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
One to three months	111,249	135,147
Four to six months	797	—
Over six months	<u>2,592</u>	<u>1,233</u>
	<u>114,638</u>	<u>136,380</u>

The ageing analysis of the accounts receivable that are not individually nor collectively considered to be impaired is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Past due but not impaired:		
One to three months past due	7,455	952
Four to six months past due	56	—
Over six months past due	<u>2,592</u>	<u>1,233</u>
	10,103	2,185
Neither past due nor impaired	<u>104,535</u>	<u>134,195</u>
	<u>114,638</u>	<u>136,380</u>

Accounts receivable 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, the Directors are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Accounts receivable that are neither past due nor impaired relate to a number of independent customers for whom there was no recent history of default.

14. ACCOUNTS AND BILLS PAYABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Accounts payable	63,309	41,597
Bills payable	<u>—</u>	<u>12,100</u>
	<u>63,309</u>	<u>53,697</u>

An ageing analysis of the accounts and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current to 3 months	<u>63,309</u>	<u>53,697</u>

As at 31 March 2018, retentions payable included in accounts payable amounted to HK\$36,583,000 (2017: HK\$25,838,000), which are normally settled on terms ranging from two to three years.

Accounts payable are non-interest-bearing and are normally settled within three months. The payment terms are stipulated in the relevant contracts.

15. SHARE CAPITAL

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Shares:		
Authorised:		
100,000,000,000 ordinary shares of HK\$0.001 each (2017: 100,000,000,000 ordinary shares of HK\$0.001 each)	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
4,000,000,000 ordinary share of HK\$0.001 each (2017: 4,000,000,000 ordinary shares of HK\$0.001 each)	<u>4,000</u>	<u>4,000</u>

The movements in the Company's share capital for the years ended 31 March 2018 and 2017 were as follows:

	<i>Notes</i>	Number of ordinary shares	Par value	Nominal value of ordinary shares <i>HK\$'000</i>
Authorised:				
At 1 April 2016		1,000,000,000	0.01	10,000
Increase in authorised share capital	(a)	9,000,000,000	0.001	90,000
Effect of share sub-division	(b)	<u>90,000,000,000</u>	0.001	<u>—</u>
At 31 March 2017, 1 April 2017 and 31 March 2018		<u>100,000,000,000</u>	0.001	<u>100,000</u>
Issued and fully paid:				
At 1 April 2016			400,000,000	4,000
Effect of share sub-division	(c)		<u>3,600,000,000</u>	<u>—</u>
At 31 March 2017, 1 April 2017 and 31 March 2018			<u>4,000,000,000</u>	<u>4,000</u>

Notes:

- (a) Pursuant to an ordinary resolution passed on 20 December 2016, the authorised share capital of the Company was increased from HK\$10,000,000 to HK\$100,000,000 by the creation of additional 9,000,000,000 shares of HK\$0.001 each, all of which will rank pari passu with all existing shares.

- (b) Pursuant to an ordinary resolution passed on 20 December 2016, each ordinary share of HK\$0.01 in the authorised share capital of the Company was sub-divided into ten ordinary shares of HK\$0.001 each effective on 21 December 2016.
- (c) Pursuant to an ordinary resolution passed on 20 December 2016, each ordinary share of HK\$0.01 in the issued and unissued share capital of the Company was sub-divided into ten ordinary shares of HK\$0.001 each effective on 21 December 2016.

16. SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 22 September 2014 (the “Scheme”), the Company may grant options to Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and full-time employees of any member of the Group and any advisers, consultants, contractors, sub-contractors, suppliers, agents, customers, business partners, joint venture business partners, service providers of any member of the Group, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to subscribe for shares in the Company with the payment of HK\$1.00 upon each option granted and the options granted must be accepted within 14 days from the date of offer.

The subscription price of a share shall be at least the higher of (i) the closing price of the Company’s shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant of the option (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of the shares of the Company on the date of grant of the option. The share options granted are exercisable at any time during a period of not more than 10 years from the date of grant, subject to the provisions of early termination contained in the Scheme. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the number of shares of the Company in issue from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes must not, in aggregate, exceed 10% of the number of shares of the Company in issue on the date the shares of the Company commence trading on the Stock Exchange. The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12 months period up to the date of grant shall not exceed 1% of the shares of the Company then in issue.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

The following share options were outstanding under the Scheme during the respective years:

	2018		2017	
	Weighted	Number of	Weighted	Number of
	average	options	average	options
	exercise price	'000	exercise price	'000
	HK\$ per share		HK\$ per share	
At 1 April	2.00	5,000	—	—
Granted during the year	—	—	2.00	5,000
At 31 March	2.00	5,000	2.00	5,000

No share options were exercised during the years ended 31 March 2017 and 2018.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2017 and 2018			
Number of options	Exercise price*	Exercise period	
'000	HK\$ per share		
5,000	2.00	17 February 2017 to 16 February 2027	

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

17. CONTINGENT LIABILITIES

In the ordinary course of the Group's building services business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The Directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

As at 31 March 2018, the Group had performance bonds issued by a bank in favour of certain contract customers amounting to HK\$36,683,000 (2017: HK\$35,465,000).

18. COMMITMENTS

At the end of the reporting period, the Group had the following significant capital commitments:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Contracted, but not provided for:		
Construction of investment properties	436,235	—
Investment in an investment fund	—	225,840
	<u>436,235</u>	<u>225,840</u>

19. EVENTS AFTER THE REPORTING PERIOD

On 22 May 2018, the Group entered into a sale and purchase agreement with Mr. Wei to acquire 100% equity interest of Gold-Finance (New Holdings) Co., Limited (“Gold-Finance (New Holdings)”), a private company incorporated in the Cayman Islands, for a consideration of HK\$8 million, which will be settled by way of issue of fixed coupon note of a principal amount of HK\$8 million at an interest rate of 3% per annum to be issued by the Company. Gold-Finance (New Holdings) holds 100% equity interest of Zhejiang Jin Guan Cheng Fund Sales Company Limited# (浙江金觀誠基金銷售有限公司), a private company incorporated in PRC which engages in business of wealth and asset management. Up to the date of this announcement, the aforesaid transaction has not been completed and is still subject to the fulfillment of a number of conditions precedent. The Company is still conducting legal and financial due diligence on Gold-Finance (New Holdings) and its subsidiaries. Further details about the acquisition are set out in the Company’s announcement dated 22 May 2018.

The English name of the company is for identification purposes only as it has not registered any official English name.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is principally engaged in the provision of investment and asset management services in the PRC, property investment and development in the PRC and building services in Hong Kong. During the year, the Group has acquired several parcels of land and properties in the PRC as it intended to expand its business portfolio with focuses primarily in developing unique towns in the PRC.

Investment and Asset Management Services

As referred to in the Company's announcement dated 16 October 2016, 18 October 2016, 11 January 2017, 13 June 2017, 20 June 2017 and 12 December 2017 and circular dated 18 November 2016 and 10 August 2017, the Group has expanded its business portfolio into the areas of investment and asset management with focuses on the public private partnership projects ("PPP Projects") under the collaboration with government in relation to infrastructure projects through the subsidiaries, principally engaged in investment management and consulting (save for securities and futures) and with the required licence for fund management activities. As at 31 March 2018, the Group is responsible for the management and operation of 29 private equity funds (the "Funds") with target investment primarily in the PPP projects. As of 31 March 2018, the aggregate target fund size of the Funds were approximately RMB23 billion and the total asset under management amounted to approximately RMB9.2 billion. As at 31 May 2018, the aggregate target fund size of the Funds were expected to be approximately RMB25.5 billion and the total asset under management amounted to approximately RMB10 billion.

Property Investment and Development

During the year ended 31 March 2018, the Group acquired several parcels of land and properties in the PRC with focuses primarily in developing unique towns in the PRC, as mentioned in the Company's announcements dated 19 July 2017, 10 August 2017, 17 August 2017, 6 September 2017, 7 September 2017, 27 September 2017, 3 October 2017, 9 October 2017, 27 October 2017, 30 October 2017, 31 October 2017, 17 November 2017, 4 December 2017, 13 December 2017, 4 January 2018, 5 January 2018 and 8 January 2018.

Bao Ming (Hong Kong) Real Estate Group Limited, an indirectly wholly-owned subsidiary of the Company, is the investment vehicle of the Group for expanding into the property investment and development business with focuses primarily on unique towns in the PRC. The Board believes that the property investment and development business with focuses on unique towns in the PRC represents an opportunity for the Group to lay a solid foundation for its long term development and achieve sustainable long term growth. In December 2017, the Group set up two indirectly wholly-owned subsidiaries, Bao Ming Commercial Property (Hong Kong) Limited and Bao Ming Property Development (Hong Kong) Limited, to seek and identify attractive investment opportunities with the objective of expanding our revenue sources and improving profitability.

As at 31 March 2018, the Group has acquired the land use rights of three parcels of land in Gaoyou City of Jiangsu Province, one parcel of land in the Huaian City of Jiangsu Province, one parcel of land in the Xiang Shan County in Ningbo City of Zhejiang Province and one parcel of land in the Yueyang City of Hunan Province. In addition, the Group has acquired seven commercial buildings located at Huaian City of Jiangsu Province. The Group has commenced development of two parcels of land in Gaoyou City and the parcel of land in the Yueyang City. The Group plans to commence development of the other parcels of land in the second quarter of 2018. The Company considers the acquisition of the land parcels is in line with the business strategies of the Group to expand the footprint of the Group's business to property investment and development and thereby able to benefit from the rapid growth of the PRC local economy.

Building Services

The engineering works undertaken by the Group are mainly related to (i) electrical installation works; (ii) air-conditioning installation works; and (iii) fire services installation works. The Group undertakes engineering projects in both public and private sectors, which are mainly building related projects including (i) new building development; and (ii) existing building renovation. All of the Group's contract revenues were derived in Hong Kong.

As at 31 March 2018, the Group had 47 one-off and retainer projects in progress, with a total estimated outstanding contract sum and work order value of approximately HK\$371 million. The Group's building services business is undertaken by an operating subsidiary, Fungs E & M, a building services engineering specialist in various building works in both public and private sectors in Hong Kong.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2018 was approximately HK\$749.5 million representing an increase of approximately 1.3% from approximately HK\$740.0 million in the previous year. The increase was mainly due to the combined effect of:

- (i) Provision of investment and asset management services in the PRC which generated rapid growth in revenue from approximately HK\$2.4 million to HK\$117.2 million, as full year operation was reflected in current year profit or loss; and
- (ii) Decrease in contract revenue from HK\$737.6 million to HK\$631.7 million, as certain one-off project was completed during the year ended 31 March 2018. On going projects remain stable and able to provide stable revenue and cash inflow.

Gross profit margin

During the year ended 31 March 2018, the Group recorded a gross profit of approximately HK\$129.4 million. The gross profit margin increased from approximately 4.4% for the year ended 31 March 2017 to approximately 17.3% for the year ended 31 March 2018. The increase was mainly due to growth in investment and asset management services segment, which contributed a higher gross profit margin for the year ended 31 March 2018.

Fair value gain on investment properties

During the year ended 31 March 2018, the Group recorded fair value gain on investment properties of approximately HK\$85.9 million, and approximately HK\$0.4 million for the last year. It was due to the fair value gain on newly acquired investment properties.

Other income and gains, net

Other income and gains increased by approximately 8.9 times from approximately HK\$4.8 million from the previous year to approximately HK\$47.6 million for the year ended 31 March 2018. The increase was mainly due to one-off gain from disposal of an available-for-sale investment and financial assets at fair value through profit or loss of HK\$30.5 million and one-off investment advisory income on investment and asset management services of HK\$10.3 million.

Administrative expenses

The Group's administrative expenses for the year ended 31 March 2018 were approximately HK\$47.2 million, representing an increase of approximately 37.6% from approximately HK\$34.3 million in the previous year. The increase was mainly attributable to the combined effect of (i) increase in the employee benefit expenses of HK\$7.8 million is mainly due to expansion of two segments, which are investment and assets management services; and property investment and development; and (ii) the increase in management fee and rent and rate of approximately HK\$4.6 million incurred for the Group's transactions during the reporting period.

Net profit after tax

For the year ended 31 March 2018, the Group recorded net profit of approximately HK\$159.4 million, an increase of approximately HK\$159.0 million as compared to the net profit of approximately HK\$369,000 for the previous year. This was mainly due to the increase in gross profit margin, other income and gains and fair value gain on investment properties.

Liquidity and Financial Resources

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank and other borrowings, convertible bonds, cash inflows from operating activities and proceeds received from the listing of the Company's shares on the Main Board of the Stock Exchange on 16 October 2014.

Based on the principle of maximizing the returns of the shareholders and the aim to improve the utilisation of idle cash, the Group had held financial assets at fair value through profit or loss of approximately HK\$15.2 million. As at 31 March 2018, the total banking facilities and other loan facilities of the Group amounted to approximately HK\$30.0 million and HK\$755.1 million, respectively (31 March 2017: HK\$40.0 million and Nil).

As of 31 March 2018, the Group had cash and cash equivalents of approximately HK\$327.1 million, representing an increase of 174.6% from approximately HK\$119.1 million as of 31 March 2017. The Group had a pledged deposit for a life insurance product with a carrying amount of approximately HK\$6.6 million and HK\$6.4 million as at 31 March 2018 and 31 March 2017, respectively. The increase in cash and cash equivalents during the year ended 31 March 2018 was mainly due to the combined effects of (i) net cash inflow from operating activities of approximately HK\$29.1 million; (ii) Cash proceeds from disposed of financial assets of approximately HK\$119.7 million; (iii) net cash inflow from financing activities of approximately HK\$598.8 million; (iv) payment for the acquisition of investment properties and investment properties under development of approximately HK\$488.0 million; and (v) payment for the acquisition of financial assets of approximately HK\$68.3 million.

Gearing ratio is calculated based on the net debt divided by the adjusted capital plus net debt. Net debts are calculated as the total of interest-bearing bank and other borrowings and amounts due to a company controlled by Mr. Wei Jie less cash and cash equivalents. Total capital refers to equity attributable to owners of the parent and liability component of convertible bonds. Gearing ratio as at 31 March 2018 is 30.3% (31 March 2017: 0%)

As at 31 March 2018, the Group had aggregate banking facilities of approximately HK\$30.0 million, which were not utilised by the Group. As at 31 March 2018, the banking facilities were secured by (i) legal charge over a building of the Group with carrying amount of approximately HK\$56.5 million; and (ii) pledged deposit for a life insurance product with a carrying amount of approximately HK\$6.6 million.

On 12 June 2018, the Company received a conversion notice from the Subscriber of the Convertible Bonds in relation to the exercise in full of the conversion rights attached to the Convertible Bonds, to convert the Convertible Bonds in the principal amount of US\$7.33 million (equivalent to HK\$56,807,500) at the conversion price of HK\$1.50 per Conversion Share (the “Conversion”). Accordingly, 37,871,666 Conversion Shares, representing approximately 0.95% of the total issued Shares of the Company immediately before the Conversion and approximately 0.94% of the total issued Shares of the Company immediately after the Conversion, were allotted and issued to the Subscriber on 12 June 2018 pursuant to the terms and conditions of the Convertible Bonds. The Conversion Shares rank pari passu in all respects among themselves and with all other existing Shares in issue.

Contingent Liabilities

Details of the Group’s contingent liabilities are set out in note 17 to this announcement.

Capital Commitments

Details of the Group’s capital commitments are set out in note 18 to this announcement.

Capital Expenditures

For the year ended 31 March 2018, the Group purchased property, plant and equipment and investment properties of approximately HK\$7.0 million and HK\$488.0 million, respectively (2017: approximately HK\$6.3 million and Nil, respectively).

PROSPECTS

The PRC government has vigorously promoted the implementation of local infrastructure projects in the form of PPP since 2013 through the promulgation of a number of policies such as 《國務院關於創新重點領域投融資機制鼓勵社會投資的指導意見》(國發[2014]60號) (The State Council's Investment and Financing Mechanism for Key Innovation Fields (Guofa [2014] No. 60)), 《中共中央國務院關於深化投融資體制改革的意見》(中發[2016]18號) (The Opinion of the Central Committee of the Communist Party and the State Council on Deepening the Reform of Capital System (Zhongfa [2016] No. 18)) and 《傳統基礎設施領域實施政府和社會資本合作項目工作導則》(發改投資[2016]2231號) (The Guidelines for the Implementation of Government and Social Capital Cooperation Projects in the Field of Traditional Infrastructure (Fagai Touzi [2016] No. 2231)). Besides the promulgation of favourable policies, the PRC government has also increased the number of infrastructure projects in the recent years. In end of 2014, the Finance Department of the PRC (the "Finance Department") released the first batch of PPP demonstration projects, which contained a total of 30 projects with an aggregate investment value of approximately RMB180 billion. In September 2015, the Finance Department released the second batch of PPP demonstration projects which contained a total of 206 projects with an aggregate investment value of approximately RMB659 billion. In October 2016, the Finance Department realised the third batch of PPP demonstration projects which contained a total of 516 projects with an aggregate investment value of approximately RMB1,170.8 billion. The number of projects and aggregate investment value for the third batch are significantly higher than those for the first batch and second batch. According to the report delivered by Mr. Xi Jinping, the President of the PRC, at the 19th National Congress of the Communist Party of China, the PRC will deepen the institutional reform in the PRC's financial sector to make it better serve the real economy which is a long-term task and national development strategy in the PRC (the "National Strategy"). The Group is in line with the National Strategy to act as an important financing source to further and better serve the real economy with focuses mainly on infrastructure and integrated urban development projects. In view of the foregoing industry outlook/market trend, the Board is of the view that the future prospect of its investment and asset management business is promising.

The PRC government has promulgated a number of favourable policies in promoting the development of unique towns throughout the PRC since February 2016. In particular, according to the Opinion on Deepening the Construction of New Urbanisation* (Guofa 2016 (No. 8)) 關於深入推進新型城鎮化建設的若干意見(國法2016(8號)) issued by the State Council of the PRC in February 2016, the development of unique towns combining leisure tourism, trade, folk culture heritage, science and technology and advanced manufacturing is encouraged to be accelerated to promote agricultural modernisation and town urbanisation. Further, pursuant to the Notice on Cultivation of Unique Towns* (Jiancun 2016 (No. 147)) 關於開展特色小鎮培育工作的通知(建村2016(147號)) issued by the National Development and Reform Commission in

July 2016, a target to develop approximately 1,000 unique towns throughout the PRC by 2020 was set. In addition, many provincial governments have implemented specific policies to provide developers of unique towns certain benefits including subsidies, financial support and credit support.

In view of the aforesaid favourable PRC government policies, together with the capabilities and experience in property investment and development in the PRC possessed by certain Directors and the parent company, the Directors believe that the expansion into the property investment and development business with the focus on developing unique towns by the Group represents an excellent opportunity for the Group to achieve sustainable long term growth.

According to the Hong Kong 2018–19 Budget, the Hong Kong Government will allocate approximately HK\$86 billion to infrastructure work. With a number of projects in their construction period, infrastructure works expenditure is expected to remain at relatively stable level in the next few years.

The building services industry is steering towards designing and installing more complex and more energy efficient systems for buildings in Hong Kong. The public's increasing awareness of energy efficiency and indoor air quality and sustainability have triggered contractors in the building services industry to construct better heating, ventilation and air-conditioning systems. Therefore, the design and installation work processes for intelligent buildings are more complicated.

In view of the aforesaid public expenditure on capital works and the market development, the Directors believe that there will still be opportunities for our building services business in both private and public sectors in the future.

FOREIGN EXCHANGE RISK

Foreign exchange risk means the risk on the fluctuation of fair value or future cash flows of financial instruments which arose from changes in exchange rates.

The activities of the Group's business are exposed to foreign currency risks which mainly arise from its operations in the PRC and certain bank deposits denominated in RMB held in and relating to PRC entities. In addition, it has exposure to Euro arising from the bank loan denominated in Euro. Appropriate measures have been taken to mitigate the foreign exchange risk exposure.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group had no material acquisitions and disposals of subsidiaries and associated companies during the year.

SIGNIFICANT INVESTMENTS

Save as disclosed, during the year ended 31 March 2018, the Company did not hold any significant investment.

STAFF AND REMUNERATION POLICY

As of 31 March 2018, the Group employed 121 employees in Hong Kong and the PRC. The Group reviewed directors and employees' remuneration from time to time and salary adjustment was normally made on an annual basis with reference to their performance and work experience and with reference to the prevailing market conditions. Staff benefits include the mandatory provident fund and training programs.

The total remuneration cost incurred by the Group for the year ended 31 March 2018 was approximately HK\$44.9 million (2017: approximately HK\$38.7 million).

SHARE OPTION SCHEME

The Scheme was conditionally adopted by the Company on 22 September 2014, and became effective on 16 October 2014 (the "Listing Date").

Details of movements of the share options granted under the Scheme for the year ended 31 March 2018 are as follows:

Grantee	Date of grant	Exercise price per share	Exercise period	Number of shares issuable under the share options				
				As at 1 April 2017	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	As at 31 March 2018
Directors								
Mr. Wei Jie (<i>note 1</i>)	17/2/2017	HK\$2.00	17/2/2017–16/2/2027	2,500,000	—	—	—	2,500,000
Ms. Xu Li Yun	17/2/2017	HK\$2.00	17/2/2017–16/2/2027	2,500,000	—	—	—	2,500,000
			Grand total:	<u>5,000,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,000,000</u>

Notes:

1. Mr. Wei Jie is also a controlling shareholder of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 2018, save as disclosed in the interim report of the Company dated 27 November 2017, the Company has complied with the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information available in the public domain concerning the Company, at least 25% of the Company’s issued share capital were held by the public as at the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors.

After a specific enquiry by the Group, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year ended 31 March 2018.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlement to attend and vote at the annual general meeting to be held on 14 September 2018, Friday, the register of members of the Company will be closed from 11 September 2018, Tuesday to 14 September 2018, Friday (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all share transfer documents accompanied by the corresponding share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 10 September 2018.

REVIEW OF ACCOUNTS

The audit committee of the Company, which is chaired by an independent non-executive Director and currently has a membership comprising three independent non-executive Directors, has reviewed with the management and approved the consolidated financial statements for the year ended 31 March 2018.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in this announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.gold-finance-gp.com.hk>). The Company's annual report for the reporting period will also be despatched to the shareholders of the Company and be made available for review on the aforesaid websites in due course.

By order of the Board
Gold-Finance Holdings Limited
Wei Jie
Chairman and Chief Executive Officer

Hong Kong, 14 June 2018

** for identification purpose only*

As at the date of this announcement, the Board comprises Mr. Wei Jie, Ms. Xu Li Yun, and Mr. Wong Kam Ting as executive Directors; and Mr. Niu Zhongjie, Mr. Cheung Ying Kwan and Mr. Chen Zhao as independent non-executive Directors.