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UKF (HOLDINGS) LIMITED

英裘(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01468)

INTERIM RESULTS ANNOUNCEMENT

For the six months ended 30 September 2018

The board of directors (the “**Board**”) of UKF (Holdings) Limited (the “**Company**”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2018 together with the comparative figures for the corresponding period in 2017. The unaudited condensed consolidated financial statements have been reviewed by the audit committee of the Company.

CHAIRMAN’S STATEMENT

Business Review

Fur Business

For fur business, the Copenhagen Fur Auction in May, June and September were all down compared to last season’s auctions. Mink prices fell lower for each of these auctions and 2 million skins were withdrawn from the auction to be offered during the next season. Our mainland Chinese competitors have continued their relentless price wars and have presently lowered their commission rate by 50% to 75%. This is an industry-wide problem and we do stand by our industry as we produce the highest quality mink in the world.

We continue to work to manage the changes that have taken place in the fur industry worldwide. These changes are many and they include new industry restrictions for the sellers but also advantages for customers within the industry to buy directly from the auctions. Another daunting news is the ban of fur sales in some of America's major cities. Los Angeles will completely ban fur sales within approximately two years from now, and San Francisco has already banned the sale of fur starting 1 January 2019. Retailers have until 2020 to sell off old stock.

Against this background, we are expecting a further decline in revenue for the second half of 2018/19. We are responding to the weaker demand by tightening cost controls and rationalising operations to ensure our fur business remains competitive in this difficult operating environment.

Securities and Other Financial Services Business

China-US trade conflicts are putting a cloud of uncertainty over the local and global economy. Investors are more prudent and retain their strength. The total capitalization of the Hong Kong stock market (Main Board) fell by 6.4% to HK\$31,957 billion for the third quarter of 2018 as compared to HK\$34,139 billion for the first quarter of 2018, which reflects the market decline in share prices in general as the benchmark Hang Seng Index dropped by more than 16% from the height of 33,154.12 in January 2018 to 27,788.52 at the end of September 2018. Amid the market downtrend, activity also dwindled with average daily turnover for the third quarter of 2018 tumbling by 34.61% compared to the first quarter of 2018, which materially affected our securities brokerage, placing and underwriting businesses during the period.

Despite the influence of various factors such as the US interest rate hikes and the trade uncertainty which may continue to be a drag on market confidence, Hong Kong's fundamentals have remained solid with a 2.9% year-on-year growth in GDP in the third quarter 2018. It is widely believed that the Chinese government may maintain the relaxed monetary environment to keep economic growth on track and the People's Bank of China recently announced a reduction in required reserve ratio by one percentage point in October 2018, the fourth time this year China has sought to improve liquidity for businesses.

We are optimistic on the financial services industry given the strong demand for financial services in Hong Kong and the increasing cooperation between the stock markets in Hong Kong and the PRC. Since 2017, we ventured into the financial service industry and have developed ourselves into a financial group of companies licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). We also hold a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and are a member of the Professional Insurance Brokers Association.

Our business arm of securities business, Great Roc Capital Securities Limited has strong business fundamentals and track record in the Hong Kong market. Building on our stable customer base and network of our securities business, we took initiative to identify market need and extend our financial services to money lending and wealth/asset management business with an aim to provide a full range of financial services and investment solutions to retail and high net-worth clients for continuous growth of our securities and other financial services business.

Prospect

Looking forward, we will continue with our dual development strategy with a view to optimising the fur business as well as enhancing the securities and other financial services business so as to strengthen the overall profit model of the Group.

On behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude to my fellow directors, management and all staff for the hard work and dedication in endorsing the development of the Group, and the shareholders for their continuing support and confidence in the Group.

Wong Chun Chau

Chairman

Hong Kong, 28 November 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

		Six months ended 30 September	
		2018	2017
	Notes	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	60,819	106,577
Cost of sales		(48,501)	(67,737)
Gross profit		12,318	38,840
Other income	4	2,199	19,500
Change in fair value less cost to sell of biological assets		23,640	22,956
Changes in fair value of financial asset at fair value through profit or loss		205	—
Administrative expenses		(49,743)	(53,371)
Finance costs	5	(6,263)	(5,993)
(Loss) profit before tax	6	(17,644)	21,932
Income tax expenses	7	(469)	(4,394)
(Loss) profit for the period		(18,113)	17,538
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investment		—	199
Exchange difference on translation of financial statements of overseas operations		(8,764)	(4,446)
Other comprehensive expense for the period, net of tax		(8,764)	(4,247)
Total comprehensive (expense) income for the period		(26,877)	13,291
(Loss) profit for the period attributable to:			
Owners of the Company		(16,321)	17,538
Non-controlling interests		(1,792)	—
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(25,085)	13,291
Non-controlling interests		(1,792)	—
(Loss) earnings per share (cents)	9		
Basic		(0.36)	0.43
Diluted		(0.36)	0.42

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

		30 September 2018 HK\$'000 (unaudited)	31 March 2018 HK\$'000 (audited)
	Notes		
Non-current assets			
Property, plant and equipment	10	114,220	128,128
Goodwill		127,350	127,350
Intangible assets	10	500	500
Available-for-sale investment		—	11,206
Financial asset at fair value through profit or loss		11,411	—
Deposits	11	2,057	2,335
Deferred tax assets		7	—
		<u>255,545</u>	<u>269,519</u>
Current assets			
Biological assets		64,800	23,472
Inventories		4,220	45,799
Trade and other receivables	11	312,627	427,626
Loan receivables	12	40,050	3,500
Tax recoverable		480	501
Bank balances held on behalf of clients		116,829	91,569
Bank balances and cash		93,235	100,440
		<u>632,241</u>	<u>692,907</u>
Current liabilities			
Trade and other payables	13	153,190	124,376
Tax payables		10,091	10,849
Bank borrowings	14	185,393	169,000
Obligations under finance leases		445	375
		<u>349,119</u>	<u>304,600</u>
Net current assets		<u>283,122</u>	<u>388,307</u>
Total assets less current liabilities		<u>538,667</u>	<u>657,826</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 30 September 2018

		30 September 2018	31 March 2018
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
Non-current liabilities			
Obligations under finance leases		—	290
Corporate bond	15	10,000	10,000
Promissory note	16	—	99,244
		10,000	109,534
Net assets		528,667	548,292
Capital and reserves			
Share capital	17	46,155	45,569
Reserves		483,638	502,248
Equity attributable to the owners of the Company		529,793	547,817
Non-controlling interests		(1,126)	475
Total equity		528,667	548,292

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger Reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Investments revaluation reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Attributable to non- controlling interest <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2017 (audited)	39,110	486,815	(7,122)	5,306	(1,009)	2,702	(98,826)	426,976	—	426,976
Issue of shares by subscription	6,049	120,478	—	—	—	—	—	126,527	—	126,527
Exercise of share options	410	12,123	—	(2,324)	—	—	—	10,209	—	10,209
Share options lapsed	—	—	—	(32)	—	—	32	—	—	—
Other comprehensive income (expense) for the period	—	—	—	—	199	(4,446)	—	(4,247)	—	(4,247)
Profit for the period	—	—	—	—	—	—	17,538	17,538	—	17,538
At 30 September 2017 (unaudited)	<u>45,569</u>	<u>619,416</u>	<u>(7,122)</u>	<u>2,950</u>	<u>(810)</u>	<u>(1,744)</u>	<u>(81,256)</u>	<u>577,003</u>	<u>—</u>	<u>577,003</u>
At 1 April 2018 (audited)	45,569	619,545	(7,122)	2,950	(663)	(6,958)	(105,505)	547,816	475	548,291
HKFRS 9 adjustment on accumulated losses	—	—	—	—	663	—	(663)	—	—	—
At 1 April 2018 (after adjustment)	45,569	619,545	(7,122)	2,950	—	(6,958)	(106,168)	547,816	475	548,291
Capital injection by non-controlling interests	—	—	—	—	—	—	—	—	191	191
Exercise of options	586	9,426	—	(2,950)	—	—	—	7,062	—	7,062
Other comprehensive expense for the period	—	—	—	—	—	(8,764)	—	(8,764)	—	(8,764)
Loss for the period	—	—	—	—	—	—	(16,321)	(16,321)	(1,792)	(18,113)
At 30 September 2018 (unaudited)	<u>46,155</u>	<u>628,971</u>	<u>(7,122)</u>	<u>—</u>	<u>—</u>	<u>(15,722)</u>	<u>(122,489)</u>	<u>529,793</u>	<u>(1,126)</u>	<u>528,667</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2018*

	Six months ended	
	30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Net cash generated from (used in) operating activities	77,901	(7,944)
Net cash used in investing activities	(733)	(837)
Net cash (used in) generated from financing activities	(84,118)	25,958
Effect of foreign exchange rate changes, net	(255)	(17,989)
Net decrease in cash and cash equivalents	(7,205)	(812)
Cash and cash equivalents at 1 April	100,440	128,725
Cash and cash equivalents at 30 September, represented by bank balances and cash	93,235	127,913

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

UKF (Holdings) Limited (the “**Company**” together with its subsidiaries the “**Group**”) was incorporated in the Cayman Islands on 31 March 2011 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 902, Harbour Centre, Tower 2, 8 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong respectively.

2(a). BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2018 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

This unaudited condensed consolidated interim financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2018, except as described below.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKASs and Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKAS 40	Transfers of Investment Property
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKFRSs	Annual Improvement to HKFRSs 2014-2016 Cycle except Amendments to HKFRS 12

Except below, the application of the above new and amendments to HKASs and HKFRSs in the current period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/ or disclosures set out in these unaudited condensed consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 replaces HKAS 39, Financial instruments: Recognition and Measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 April 2018. Therefore, comparative information continues to be reported under HKAS 39.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification and measurement

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“**FVTOCI**”) and at fair value through profit or loss (“**FVTPL**”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

- FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or
- FVTPL, if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the investments revaluation reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the investments revaluation reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI (non-recycling), are recognised in profit or loss as other income and gains, net.

The directors of the Company reviewed and assessed the Group’s financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group’s financial assets and the impacts are detailed in “Summary of effects arising from initial application of HKFRS 9”.

Summary of effects arising from initial application of HKFRS 9

The following table illustrates the classification of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	Original classification under HKAS 39	Original carrying amount under HKAS 39 HK\$'000	New classification under HKFRS 9	New carrying amount under HKFRS 9 HK\$'000
Financial assets				
Financial asset at FVTPL (Note a)	Available-for- sale investment at fair value	11,206	FVTPL	11,206
Trades and other receivables	Loans and receivables	425,957	At amortised cost	425,957
Deposits	Loans and receivables	2,335	At amortised cost	2,335
Loan receivables	Loans and receivables	3,500	At amortised cost	3,500
Bank balances held on behalf of clients	Loans and receivables	91,569	At amortised cost	91,569
Bank balances and cash	Loans and receivables	100,440	At amortised cost	100,440
		635,007		635,007
		635,007		635,007

Note:

(a) Available-for-sale financial asset

The Group elected to present as financial asset at FVTPL for the fair value changes of its investment previously classified as available-for-sale. At the date of initial application of HKFRS 9, approximately HK\$11,206,000 was reclassified from available-for-sale financial asset to financial asset at FVTPL. The fair value loss of approximately HK\$663,000 related to the investment previously carried at fair value was reclassified from the investments revaluation reserve to accumulated losses.

The measurement categories for all financial liabilities remain the same.

The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application of HKFRS 9. The Group did not designate or de-designate any financial asset or financial liability at FVTPL at 1 April 2018.

(ii) *Impairment*

HKFRS 9 requires an impairment on trades and other receivables, deposits and loan receivables that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses on its trade and other receivables, deposits and loan receivables. The Group applied general approach and recorded twelve month expected losses on all other instruments, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit loss. The adoption of HKFRS 9 has had no significant impact on the impairment of the financial assets of the Group.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method which allows the Group to recognise the cumulative effects of initially applying HKFRS 15 as an adjustment to the opening balance of accumulated losses at 1 April 2018. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 April 2018, thus the comparative figures have not been restated.

Revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

As required for the interim condensed consolidated financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. The disclosure on disaggregated revenue are set out in note 3.

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRSs	Annual Improvement to HKFRSs 2015-2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted

² Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted

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

The directors of the Company are currently assessing the impact of these new HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's results of operations and financial position.

2(b). FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and fair value risk.

The unaudited condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2018.

There have been no changes in the risk management policies since the last year end.

3. SEGMENT AND REVENUE INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the board of directors) (the "**Board**") in order to allocate resources to the segment and to assess its performance.

The Board reviewed the sales performance of the goods and services delivered or provided for the purpose of resources allocation and performance assessment and considered that the Group operates in three business units based on their products, and has three reportable and operating segments: fur, securities brokerage and other financial services.

Segment revenue and results

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

Six months ended 30 September 2018

	Fur	Securities	Other	
	HK\$'000	brokerage	financial	Total
	HK\$'000	HK\$'000	services	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE	33,066	13,439	14,314	60,819
RESULTS				
Segment results	(6,202)	13,439	5,081	12,318
Other income	401	696	1,072	2,169
Change in fair value less cost to sell of biological assets	23,640	—	—	23,640
Provision of allowance for bad and doubtful debts	—	(96)	—	(96)
Unallocated other income				30
Unallocated corporate expenses				(49,442)
Finance costs				(6,263)
Loss before tax				(17,644)
Income tax expenses				(469)
Loss for the period				(18,113)

Six months ended 30 September 2017 (restated)

	Fur <i>HK\$'000</i>	Securities brokerage <i>HK\$'000</i>	Other financial services <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE	66,814	39,763	—	106,577
RESULTS				
Segment results	(923)	39,763	—	38,840
Other income	242	463	—	705
Change in fair value less cost to sell of biological assets	22,956	—	—	22,956
Write-back of allowance for bad and doubtful debts	—	826	—	826
Bad debts	(3,041)	—	—	(3,041)
Unallocated corporate expenses				(32,361)
Finance costs				(5,993)
Profit before tax				21,932
Income tax expenses				(4,394)
Profit for the period				17,538

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current interim period (six months ended 30 September 2017: nil).

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments for the period/year:

At 30 September 2018

	Fur	Securities	Other	
	HK\$'000	brokerage	financial	Total
		HK\$'000	services	HK\$'000
			HK\$'000	
ASSETS				
Segment assets	189,046	533,698	44,080	766,824
Unallocated corporate assets				120,962
Total assets				887,786
LIABILITIES				
Segment liabilities	60,578	265,370	2,366	328,314
Unallocated corporate liabilities				30,805
Total liabilities				359,119

At 31 March 2018

	Fur	Securities	Other	
	HK\$'000	brokerage	financial	Total
		HK\$'000	services	HK\$'000
			HK\$'000	
ASSETS				
Segment assets	230,728	597,162	6,666	834,556
Unallocated corporate assets				127,870
Total assets				962,426
LIABILITIES				
Segment liabilities	69,160	201,903	—	271,063
Unallocated corporate liabilities				143,071
Total liabilities				414,134

Revenue information

An analysis of revenue is as follows:

	Sixth month ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue		
Fur	33,066	66,814
Securities brokerage		
Securities dealing commission income	3,115	15,557
Underwriting and placing commission income	686	13,821
Interest income from margin financing, cash clients and IPO Loan	9,638	9,335
Handling income (<i>Note a</i>)	—	1,050
	13,439	39,763
Other financial services		
Wealth management commission income	10,623	—
Interest income from loan financing	3,691	—
	14,314	—
	60,819	106,577

Note a: Handling income is reclassified to other income from 1 October 2017 onwards.

Geographical information

An analysis of the Group's revenue for each of the reporting period by geographical market is as follows:

	Six months ended	
	30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Europe	32,260	65,065
Hong Kong	27,753	39,763
The People's Republic of China	806	1,749
	<u>60,819</u>	<u>106,577</u>

4. OTHER INCOME

	Six months ended	
	30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Bank interest income	40	20
Exchange gain, net	—	17,967
Handling income	570	324
Gain on disposal of property, plant and equipment, net	170	18
Write-back of allowance for bad and doubtful debts	—	826
Sundry income	1,317	263
Bonus and rebate from auction houses	102	82
	<u>2,199</u>	<u>19,500</u>

5. FINANCE COSTS

	Six months ended 30 September	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
Bank loans	2,508	1,852
Overdraft	1,008	1
Finance leases	9	3
Corporate bond	275	275
Auction (<i>Note a</i>)	—	234
Promissory note (imputed)	2,457	3,583
Cash clients' accounts	4	1
Margin clients' accounts	2	6
Other financial institution	—	38
	<u>6,263</u>	<u>5,993</u>

Note a: Auction interest is the auction prompt interest paid to auction houses for the overdue payment.

6. (LOSS) PROFIT BEFORE TAX

(Loss) profit before tax has been arrived at after (crediting) charging:

	Six months ended 30 September	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cost of inventories recognised as expenses	39,271	67,600
Staff costs (including directors' remuneration)		
— salaries and allowances	19,922	14,996
— retirement benefit scheme contributions	380	152
Net foreign exchange loss (gain)	54	(17,967)
Depreciation	7,305	8,059
Bad debts	—	3,041
Provision (write-back) of allowance for bad and doubtful debts	96	(826)
Gain on disposal of property, plant and equipment, net	(170)	(18)
Loss on early redemption of promissory note	7,099	5,158
Operating lease payments	3,833	2,724
	<u>6,263</u>	<u>5,993</u>

7. INCOME TAX EXPENSES

The charge comprises:

	Six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
Hong Kong Profits Tax	<u>469</u>	<u>4,394</u>
Total income tax expenses for the period	<u>469</u>	<u>4,394</u>

- (i) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the both periods.
- (ii) The Danish subsidiary is subject to Denmark Corporate Tax at 22% for the period (2017: 22%).
- (iii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.

8. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2018 (six months ended 30 September 2017: nil).

9. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share is based on the following data:

	Six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) profit attributable to the owners of the Company for the purpose of basic and diluted (loss) earnings per share	(16,321)	17,538
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of the calculation of the basic (loss) earnings per share	4,571,964,741	4,104,592,031
Effect of dilutive potential ordinary shares:		
Share options	N/A	30,415,426
Weighted average number of ordinary shares for the purpose of the calculation of the diluted (loss) earnings per share	4,571,964,741	4,135,007,457

No adjustment was made in calculating diluted loss per share for the period ended 30 September 2018 as the exercise of share options would result in decrease in loss per share. Accordingly, the diluted loss per share is the same as the basic loss per share.

10. PROPERTY, PLANT AND EQUIPMENT/INTANGIBLE ASSETS

During the six months ended 30 September 2018, the Group spent HK\$926,968 (six months ended 30 September 2017: HK\$858,422) on acquisition of property, plant and equipment and there were no significant disposal of property, plant and equipment (six months ended 30 September 2017: nil).

The Group had no acquisition and disposal of intangible assets for the six months ended 30 September 2018 and 2017.

11. TRADE AND OTHER RECEIVABLES/DEPOSITS

	30 September 2018 HK\$'000 (unaudited)	31 March 2018 HK\$'000 (audited)
Trade receivables from:		
Securities brokerage business (<i>Note a</i>)		
— Cash clients	6,367	12,210
— Margin clients	277,744	350,070
— Clearing house and brokers	4,603	14,016
Fur business (<i>Note b</i>)	10,133	38,078
	298,847	414,374
Less: Allowance for bad and doubtful debts	(204)	(108)
	298,643	414,266
Other receivables and deposits:		
Amount due from non-controlling interests	191	1,573
Deposits with auction houses and suppliers	8,148	7,036
Prepayment	1,239	1,669
Rental, utilities and other deposits	1,828	1,858
Statutory deposit	275	477
Others	4,360	3,082
	314,684	429,961
Analysis for reporting purpose as:		
Current assets — Trade and other receivables	312,627	427,626
Non-current assets — Deposits	2,057	2,335
	314,684	429,961

Notes:

- (a) The normal settlement terms of trade receivables from cash clients, clearing house and brokers arising from the ordinary course of business of securities brokerage services are two trading days after the trade date.

Cash client receivables which are past due but not impaired bear interest at interest rates by reference to Hong Kong prime rate plus certain basis points based on management's discretion, normally at Hong Kong prime rate plus 7%.

Trade receivables due from margin clients are repayable on demand. Margin client receivables, except for pending trade settlement, bear interest at interest rates by reference to Hong Kong prime rate plus certain basis points based on management's discretion, normally at Hong Kong prime rate plus 3%. The majority of trade receivables are secured and covered by clients' pledged securities, which are publicly traded securities listed in Hong Kong. As at 30 September 2018, the fair values of the pledged securities amounted to approximately HK\$943,317,915. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collaterals are required if the amount of trade receivables outstanding exceeds the eligible margin value of securities deposited.

Trade receivables from clearing houses and brokers represent trades pending settlement arising from the business of securities brokerage, which are normally due within two trading days after the trade date.

- (b) The Group allows a credit period ranging from 0 day to 120 days to its customers in fur business.

The aging analysis of the Group's trade receivables from securities brokerage business, net of allowance for bad and doubtful debts, are as follows:

	30 September 2018 HK\$'000 (unaudited)	31 March 2018 HK\$'000 (audited)
Neither past due nor impaired	282,143	363,978
Past due but not impaired	6,367	12,210
	288,510	376,188

The aging analysis of the Group's trade receivables from securities brokerage business which are past due but not impaired are as follows:

	30 September 2018 HK\$'000 (unaudited)	31 March 2018 HK\$'000 (audited)
Past due within one month	3,562	4,111
Past due from one month to three months	2,805	8,099
	6,367	12,210

The following is an aged analysis of trade receivables from fur business presented based on invoice date at the end of the reporting period.

	30 September 2018 HK\$'000 (unaudited)	31 March 2018 HK\$'000 (audited)
0 - 60 days	8,471	24,935
61 - 90 days	—	10,534
91 - 120 days	1,662	2,609
	10,133	38,078

12. LOAN RECEIVABLES

	30 September 2018 HK\$'000 (unaudited)	31 March 2018 HK\$'000 (audited)
Loans from money lending business — unsecured	40,050	3,500
	40,050	3,500

The Group offered a credit period of up to 1 year for the loans to its customers in money lending business with interest rate of 12%-48% per annum (31 March 2018: 12% per annum). The Group maintains strict control over its outstanding loans to minimise credit risk. Overdue balance is reviewed regularly by management.

13. TRADE AND OTHER PAYABLES

	30 September 2018 <i>HK\$'000</i> (unaudited)	31 March 2018 <i>HK\$'000</i> (audited)
Trade payables from:		
Securities brokerage business (<i>Note a</i>)		
— Cash clients	19,997	32,350
— Margin clients	78,976	63,726
— Clearing house and brokers	41,396	5,827
Fur business (<i>Note b</i>)	186	160
Other financial services business	2,366	—
	142,921	102,063
Other payables:		
Accruals	3,021	15,553
Value-added tax payable	623	2,327
Other operating expenses payables	6,501	4,412
Others	124	21
	153,190	124,376

The following is an aged analysis of the Group's trade payables from fur business presented based on the invoice date at the end of the reporting period:

	30 September 2018 <i>HK\$'000</i> (unaudited)	31 March 2018 <i>HK\$'000</i> (audited)
0 - 60 days	143	160
61 - 90 days	43	—
	186	160

The following is an aged analysis of the Group's trade payables from other financial services business at the end of the reporting period:

	30 September 2018 HK\$'000 (unaudited)	31 March 2018 HK\$'000 (audited)
0 - 60 days	2,361	—
61 - 90 days	(90)	—
Over 90 days	95	—
	2,366	—

Notes:

- (a) Trade payables to securities brokerage clients represent the monies received from and repayable to brokerage clients in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with those balances received.

The majority of the trade payables balances are repayable on demand except for certain balances relating to margin deposits received from clients for their trading activities under the normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

The trade payables from the securities brokerage business are normally settled within two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which is repayable on demand. The money held on behalf of clients at the segregated bank accounts carries interest at prevailing interest rate of 0.01% per annum.

No aging analysis is disclosed as, in the opinion of directors, an aging analysis does not give additional value in view of the nature of the business.

- (b) The Group normally settles the trade payables from fur business within 21 days of the credit term.

14. BANK BORROWINGS

	30 September 2018 <i>HK\$'000</i> (unaudited)	31 March 2018 <i>HK\$'000</i> (audited)
Term loans	93,557	69,000
Revolving loans	91,836	100,000
	<u>185,393</u>	<u>169,000</u>

15. CORPORATE BOND

The Group issued a corporate bond with the principal amount of HK\$10,000,000 at the interest rate of 5.5% per annum payable annually for 7 years which will be due on 18 November 2019.

16. PROMISSORY NOTE

The movements during the period are:

	30 September 2018 <i>HK\$'000</i> (unaudited)	31 March 2018 <i>HK\$'000</i> (audited)
At beginning of the period/year	99,244	123,831
Early redemption of promissory note	(101,701)	6,955
Imputed interest	2,457	(31,542)
At the end of reporting period/year	<u>—</u>	<u>99,244</u>

The promissory note was issued by the Company in connection with the acquisition of the entire issued share capital of Great Roc Capital Securities Limited on 20 January 2017. The promissory note represented part of the consideration for the acquisition.

The promissory note is non-interest bearing and payable on maturity in July 2019. The fair value of the promissory note in principal amount of HK\$145,500,000 was HK\$122,196,000 as at the issue date (i.e. 20 January 2017), based on valuation. The effective interest rate of the promissory note is determined to be 7.18% per annum. The fair value of the promissory note, which are within Level 3 of the fair value hierarchy, is determined by using the discounted cash flow method, with the following key assumptions:

Time to maturity	2.52 years
Discount rate	7.18%

The promissory note was fully redeemed on 15 August 2018. Loss on early redemption of promissory note amounting approximately HK\$7,099,000 was charged to profit or loss for the six months ended 30 September 2018.

17. SHARE CAPITAL

	30 September 2018		31 March 2018	
	Number of shares	Nominal value of ordinary shares HK\$'000	Number of shares	Nominal value of ordinary shares HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	10,000,000,000	100,000	10,000,000,000	100,000
Issued and fully paid:				
At the beginning of period/year	4,556,923,015	45,569	3,911,034,015	39,110
Exercise of share options	58,566,720	586	41,000,000	410
Issue of shares by placing	—	—	604,889,000	6,049
At the end of the reporting period/year	4,615,489,735	46,155	4,556,923,015	45,569

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 30 September 2018 was approximately HK\$60.8 million (2017: approximately HK\$106.6 million).

Fur business

The Group's fur business remained difficult and revenue of the fur business decreased 50.4% to approximately HK\$33.1 million (2017: approximately HK\$66.8 million) for the six months ended 30 September 2018. The decrease in revenue was mainly attributable to the weak demand for fur, which resulted in shrinking volume of fur sales. The fur business reported segment loss of approximately HK\$6.2 million for the six months ended 30 September 2018 (2017: approximately HK\$0.9 million).

Securities brokerage business

During the six months ended 30 September 2018, the Group's commission income from securities brokerage, underwriting and placing, plus interest income from securities margin financing, cash clients and IPO loans amounted to approximately HK\$13.4 million (2017: approximately HK\$39.8 million), representing a decrease of approximately 66.3% as compared to last corresponding period. The decrease in revenue was mainly attributable to the declining market trend as shown by the movements of Hang Seng Index during the period under review and the deterioration of market sentiment indicated by lower average daily turnover.

The securities brokerage business reported segment profit approximately HK\$13.4 million for the six months ended 30 September 2018 (2017: approximately HK\$39.8 million).

Other financial services business

Other financial services business consisted of money lending and provision of wealth and asset management services in Hong Kong.

The Group commenced the money lending business and the wealth management business during the period under review, which contributed approximately HK\$14.3 million to the revenue of the Group for the six months ended 30 September 2018 (2017: nil). The other financial service business reported segment profit of approximately HK\$5.1 million for the six months ended 30 September 2018 (2017: nil).

During the period, the Group conducted a few small scale money lending transactions and the individual loan size ranged from approximately HK\$1 million to approximately HK\$35.3 million. In respect of the wealth management business, the Group currently focuses on broking and dealing in insurance products.

Other Income

Other income for the period was approximately HK\$2.2 million compared to approximately HK\$19.5 million for the corresponding period last year. The decrease was mainly due to the absence of exchange gain of approximately HK\$18.0 million reported on the translation of foreign currencies monetary asset during the six months ended 30 September 2017.

Change in fair value less cost to sell of biological assets

For the six months ended 30 September 2018, gain arising from changes in fair value of biological assets less costs to sell, which amounted to approximately HK\$23.6 million (2017: approximately HK\$23 million), was recognised and it represented the net increase of fair value of the mated female minks and male minks for breeding for the mink farming business.

Administrative expenses

Administrative expenses decreased approximately 6.9% to approximately HK\$49.7 million (2017: approximately HK\$53.4 million). The decrease was mainly due to (i) the absence of bad debts recognised for the fur business for the six month ended 30 September 2018 (2017: approximately HK\$3.04 million); and (ii) the reduction of commission expense of approximately HK\$2.92 million in securities brokerage business, as a result of lower transaction volume, which was partially offset by the increase in loss on early redemption of promissory note of approximately HK\$1.9 million for the six months ended 30 September 2018 in connection with the promissory note (the “Promissory Note”) with maturity in July 2019 issued by the Company as part of the consideration for the acquisition of the entire issued share capital of Great Roc Capital Securities Limited in January 2017. The Promissory Note was fully redeemed in August 2018.

Finance costs

Finance costs, which mainly represented interest expenses for the bank borrowings and the imputed interest on the Promissory Note, were approximately HK\$6.3 million for the six months ended 30 September 2018 as compared to approximately HK\$6 million for the corresponding period last year.

Loss for the period

Loss for the period of approximately HK\$18.1 million was reported for the six months ended 30 September 2018 (2017: profit of approximately HK\$17.5 million).

Dividend

The Board did not recommend the payment of an interim dividend for the six months ended 30 September 2018 (2017: Nil).

Significant investments and acquisition

The Group has no significant investment and acquisition during the period (2017: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with internally generated cash flow, bank borrowings and shareholders' equity. The Group maintained bank balances and cash of approximately HK\$93.2 million as at 30 September 2018 (31 March 2018: approximately HK\$100.4 million). The net assets of the Group as at 30 September 2018 were approximately HK\$528.7 million (31 March 2018: approximately HK\$548.3 million).

During the period, 58,566,720 ordinary shares of HK\$0.01 each were issued in connection with the exercise of share options. Total net proceeds of approximately HK\$7.1 million were received and would be used as general working capital.

As at 30 September 2018, the Group had bank borrowings of approximately HK\$185.4 million (31 March 2018: approximately HK\$169.0 million) which bore interest primarily at floating rate. All of bank borrowings were held in HK\$, United States dollars ("US\$") and Danish Krone ("DKK"). The net external gearing ratio representing the ratio of total interest bearing borrowings to the net assets of the Group, was approximately 36.9% as at 30 September 2018 (31 March 2018: approximately 50.9%).

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. For the licensed subsidiaries, the Group ensures that each of the subsidiaries maintains a liquidity level adequate to support the level of activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the period under review, all the licensed subsidiaries complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules ("FRR").

CAPITAL COMMITMENT AND CONTINGENT LIABILITY

The Group had no material capital commitment and contingent liability as at 30 September 2018 (31 March 2018: nil).

CHARGE OF ASSETS

As at 30 September 2018, the Group charged the key management insurance contract which is classified as a financial assets at fair value through profit or loss of approximately HK\$11.4 million (31 March 2018: approximately HK\$11.2 million classified as an available-for-sale investment), property, plant and equipment, biological assets and inventories of approximately DKK76,598,000 or approximately HK\$95,265,000 (31 March 2018: DKK94,328,000 or approximately HK\$122,419,000) for bank borrowings.

RISK MANAGEMENT

Credit Risk

Credit risk exposure represents trade receivables from customers, amounts due from clients, brokers and clearing houses and loan receivables from clients, which principally arise from our business activities. The Group has a credit policy in place and the credit risk is monitored on an on-going basis.

In respect of trade receivables from customers, management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that appropriate and speedy follow up actions are taken in respect of overdue balances.

In respect of amounts due from clients, individual credit evaluations are performed on all clients (including cash and margin clients). Cash clients are required to place deposits as prescribed in the Group's credit policy before execution of any purchase transactions. Receivables due from cash clients are due within the settlement period commonly adopted in the relevant market practices, which is usually within two trading days after the trade date. The Group normally obtains liquid securities and/or cash deposits as collateral for providing financing to its cash and margin clients. Margin loans due from margin clients are repayable on demand. Market conditions and adequacy of securities collateral and margin deposits of each cash account and margin account are monitored by the management on a daily basis. Margin calls and forced liquidation are made where necessary.

In respect of amounts receivable from brokers and clearing houses, credit risks are considered low as the Group normally enters into transactions with brokers and clearing houses which are registered with regulatory bodies and enjoy sound reputation in the industry.

In respect of loan receivables from clients, the Group has no concentration of credit risk on aggregate amount of loans, with exposure spread over a number of clients. The Group continued to adopt stringent credit policies to mitigate the credit risk arising from the money lending business. The credit policies specify the credit approval, review and other monitoring procedures to ensure that follow-up action is taken for the recoverable amount.

The Group has no significant concentration of credit risk as credits are granted to a large population of clients.

The Group does not provide any other guarantees which would expose the Group to credit risk.

Liquidity risk

The Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions are available to meet the Group's liquidity requirements in the short and long term. Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, and to ensure compliance with FRR.

Interest Rate Risk

The Group charges interest on its margin clients and cash clients with outstanding loan amounts on the basis of Hong Kong prime rate plus a mark-up. Financial assets (such as margin loans and deposits with banks) and financial liabilities (such as bank loans) are primarily related to the fluctuation of Hong Kong prime rate and prevailing floating rates. The Group's income and operating cash flows are not subject to significant interest rate risk.

Foreign currency risk

The Group carries out its business in Hong Kong and worldwide and its assets and liabilities as well as the income and expenses are exposed to foreign currency risk primarily arising from sales and purchases transactions, investments and borrowings denominated in US\$ and DKK.

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure of foreign currency risk. As the HK\$ is pegged to the US\$, the Group considers the risk of movements in exchange rates between the HK\$ and the US\$ to be insignificant. As for exchange rate of DKK against Hong Kong dollar, management manages the currency risk by closely monitoring the movement of the foreign currency exchange rate and would consider appropriate measures if required. Currently, the Group has no hedging arrangement for foreign currencies and has not entered into any financial derivatives arrangement.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 September 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good governance practices and procedures. During the period under review, the Company has complied with the provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules, except for deviation from code provision A.6.7 of the CG Code which stipulates, among others, that independent non-executive Directors and other non-executive Directors should attend general meetings. Due to other business engagement, Mr. Tang Tat Chi, an independent non-executive Director, was unable to attend the annual general meeting of the Company held on 6 August 2018.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard set out in the Model Code regarding securities transactions by the directors throughout the six months ended 30 September 2018.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2018, the Group had 71 full-time employees (31 March 2018: 74). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employee benefits include contribution to provident fund, insurance and medical cover as well as discretionary options based on their contributions to the Group.

AUDIT COMMITTEE

The audit committee has three members comprising all three independent non-executive Directors, namely, Ms. Mak Yun Chu (Chairperson), Mr. Tang Tat Chi and Mr. Hung Wai Che, with terms of reference in compliance with the Listing Rules. The audit committee reviews the Group's financial reporting, internal controls and makes relevant recommendations to the Board.

The audit committee has reviewed the Company's unaudited condensed consolidated financial statements report for the six months ended 30 September 2018.

By Order of the Board
UKF (Holdings) Limited
Wong Chun Chau
Chairman

Hong Kong, 28 November 2018

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Wong Chun Chau (*Chairman*)
Ms. Kwok Yin Ning

Independent Non-executive Directors:

Ms. Mak Yun Chu
Mr. Tang Tat Chi
Mr. Hung Wai Che