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GOLD-FINANCE HOLDINGS LIMITED

金誠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1462)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

The board (the “Board”) of directors (the “Directors”) of Gold-Finance Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2018 (the “Reporting Period”) together with comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2018

		Unaudited	
		Six months ended	
		30 September	
		2018	2017
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	5	278,115	448,992
Cost of services provided		(203,048)	(406,590)
Gross profit		75,067	42,402
Fair value gain on investment properties		6,386	23,440
Other income, gains and losses, net	5	(36)	4,108
Administrative expenses		(30,327)	(16,798)
Finance costs	6	(4,168)	(1,576)
PROFIT BEFORE TAX	7	46,922	51,576
Income tax expense	8	(16,901)	(10,384)
PROFIT FOR THE PERIOD		30,021	41,192

		Unaudited	
		Six months ended	
		30 September	
		2018	2017
	<i>Notes</i>	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD		<u>30,021</u>	<u>41,192</u>
OTHER COMPREHENSIVE INCOME/ (LOSS)			
Items that may be reclassified to profit or loss in subsequent periods:			
Change in fair value in an available-for- sale investment		—	935
Exchange differences on translation of foreign operations		<u>(65,887)</u>	<u>2,251</u>
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		<u>(65,887)</u>	<u>3,186</u>
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		<u>(35,866)</u>	<u>44,378</u>
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent		30,051	41,192
Non-controlling interests		<u>(30)</u>	<u>—</u>
		<u>30,021</u>	<u>41,192</u>
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent		(35,416)	44,378
Non-controlling interests		<u>(450)</u>	<u>—</u>
		<u>(35,866)</u>	<u>44,378</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic	10	<u>HK0.75 cents</u>	<u>HK1.03 cents</u>
Diluted	10	<u>HK0.75 cents</u>	<u>HK1.01 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

		Unaudited 30 September 2018 <i>HK\$'000</i>	Audited 31 March 2018 <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	11	65,546	66,554
Investment properties	11	650,368	601,754
Financial assets at fair value through profit or loss	12	32,530	—
Available-for-sale investments	12	—	37,662
Pledged deposit for a life insurance product		6,671	6,594
Investment in a film		—	13,844
Prepayment, deposits and other receivables		5,328	5,989
		760,443	732,397
Total non-current assets			
CURRENT ASSETS			
Contract assets		115,480	—
Gross amount due from customers for contract works		—	41,223
Accounts receivable	13	130,503	114,638
Prepayments, deposits and other receivables		105,237	61,387
Tax recoverable		188	188
Financial assets at fair value through profit or loss	12	3,475	15,167
Cash and bank balances		100,146	327,122
		455,029	559,725
Total current assets			
CURRENT LIABILITIES			
Accounts payable	15	142,655	63,309
Accruals of costs for contract works		—	56,641
Other payables and accruals		140,544	257,748
Receipts in advance		10,833	31,117
Bank and other borrowings	16	90,000	90,000
Tax payable		15,495	13,347
		399,527	512,162
Total current liabilities			
NET CURRENT ASSETS		55,502	47,563
TOTAL ASSETS LESS CURRENT LIABILITIES		815,945	779,960

		Unaudited	Audited
		30 September	31 March
		2018	2018
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Bank and other borrowings	16	286,153	213,094
Convertible bonds	14	—	56,193
Deferred tax liabilities		22,416	22,839
		<hr/>	<hr/>
Total non-current liabilities		308,569	292,126
		<hr/>	<hr/>
Net assets		507,376	487,834
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Issued capital	17	4,038	4,000
Reserves		461,748	441,794
		<hr/>	<hr/>
		465,786	445,794
Non-controlling interests		41,590	42,040
		<hr/>	<hr/>
Total equity		507,376	487,834
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. CORPORATE INFORMATION

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 six months ended 30 September 2018, the Group were principally engaged in the following principal activities:

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

2. BASIS OF PREPARATION

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 (the “HKICPA”) and the applicable disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The accounting policies and the basis of preparation adopted in the preparation of this condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2018 except for the adoption of the revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA as disclosed in note 3 below.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the Reporting Period's unaudited interim condensed consolidated financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC) — Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Annual Improvements 2014–2016 Cycle	<i>Amendments to HKFRS 1 and HKAS 28</i>

Other than as noted below, the adoption of these revised HKFRSs has had no significant financial effect on these unaudited interim condensed consolidated financial information and there has been no significant changes to the accounting policies in the unaudited interim condensed consolidated financial information.

HKFRS 9 Financial Instruments

HKFRS 9 replaces HKAS 39 “Financial Instruments: Recognition and Measurement”. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an “expected credit loss” (“ECL”) model for the impairment of financial assets.

The Group has applied HKFRS 9 prospectively 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.

The adoption of HKFRS 9 has impacted the following areas:

(a) Classification and measurement

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent “solely payments of principal and interest” on the principal amount outstanding (the “SPPI criterion”).

The Group's unlisted fund investments previously classified as available-for-sale are classified as financial assets at fair value through profit or loss because the cash flow characteristics of these investments failed the SPPI criterion under HKFRS 9. Fair value changes previously accounted for in available-for-sale investments revaluation reserve has transferred to the opening balance of retained profits as at 1 April 2018. In addition, the Group's investment in a film previously categorised as loans and receivable under HKAS 39 would be categorised as financial assets at fair value through profit or loss under HKFRS 9 as at 1 April 2018.

In summary, the following reclassification was made to the amounts recognised in the condensed consolidated statement of financial position at the date of initial application (1 April 2018):

	Carrying amount at 1 April 2018 under HKAS 39 HK\$'000	Reclassification HK\$'000	Carrying amount at 1 April 2018 under HKFRS 9 HK\$'000
NON-CURRENT ASSETS			
Available-for-sale investments	37,662	(37,662)	—
Financial assets at fair value through profit or loss	—	37,662	37,662
	<u> </u>	<u> </u>	<u> </u>

The impact of these changes on the Group's equity is as follows:

	Available-for- sale investments revaluation reserve HK\$'000	Retained profits HK\$'000
Balance at 1 April 2018	662	309,353
Reclassification from available-for-sale investments to financial assets at fair value through profit or loss	(662)	662
	<u> </u>	<u> </u>
Balance at 1 April 2018	—	310,015
	<u> </u>	<u> </u>

(b) Impairment

Under the ECL model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a twelve-month ECL or a lifetime ECL, depending on the asset and the facts and circumstances.

The Group applies the simplified approach and records lifetime ECL that are estimated based on the present values of all cash shortfalls over the remaining life of all of its accounts receivable and contract assets. Furthermore, the Group applies the general approach and record twelve-month ECL that are estimated based on the possible default events on its other receivables within the next twelve months.

As at 1 April 2018, no additional credit loss allowance has been recognised against retained profits.

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. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to be recognised through a 5-step approach: (i) identify the contract(s) with customer; (ii) identify separate performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; and (v) recognise revenue when a performance obligation is satisfied. The core principle is that a company should recognise revenue 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 of all 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 has elected to apply the modified retrospective method whereby the effects of adopting HKFRS 15 for uncompleted contracts with customers as at 31 March 2018 are adjusted at the opening balance of retained profits as at 1 April 2018 and prior period comparatives are not restated. The effects of the adoption of HKFRS 15 are set out below.

From 1 April 2018 onwards, the Group has adopted the following accounting policies on revenues:

General policies

Revenue is recognised when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, the control of the goods or services may be transferred over time or at a point in time.

Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does 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 one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group unconditional right to consideration.

A contract liability represents the Group's obligation to transfer goods and services to a customer for which the Group has received consideration from the customer.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised as contract assets and subsequently amortised when the related revenue is recognised.

Contract works

In prior reporting periods, the Group accounted for revenue from construction contracts using the percentage of completion method, measured by reference to the percentage of certified value of work performed to date to the total contract sum of the relevant contract. Profit is only recognised when the work is sufficiently advanced such that the costs to complete and the revenue can be reliably estimated. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from customers for contract works. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as accruals of costs for contract works.

Under HKFRS 15, revenue from construction contracts will continue to be recognised over time when the Group creates or enhances an asset that the customer controls in accordance with the direct measurements of the value transferred by the Group to the customer with reference to the certified value of work performed to date.

Following reclassifications were made to the amounts recognised in the condensed consolidated statement of financial position at the date of initial application of HKFRS 15 (1 April 2018):

	As at 1 April 2018		
	As previously stated	Impact of HKFRS 15	As restated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross amount due from customers for contract works	41,223	(41,223)	—
Accounts receivable	114,638	(44,250)	70,388
Contract assets	—	85,473	85,473
Accruals of costs for contract work	56,641	(56,641)	—
Other payables and accruals	257,748	56,641	314,389
	<u>257,748</u>	<u>56,641</u>	<u>314,389</u>

The adoption of HKFRS 15 has no material impact on the Group's condensed consolidated statement of profit or loss and other comprehensive income and the condensed consolidated statement of cash flows.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services 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

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

Segment revenue and results

	Investment and asset management services Unaudited		Property investment and development Unaudited		Building services Unaudited		Total Unaudited	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	<u>100,468</u>	<u>30,703</u>	<u>957</u>	<u>—</u>	<u>176,690</u>	<u>418,289</u>	<u>278,115</u>	<u>448,992</u>
Segment results	<u>54,813</u>	<u>28,948</u>	<u>4,389</u>	<u>22,469</u>	<u>296</u>	<u>4,886</u>	<u>59,498</u>	<u>56,303</u>
Interest income							966	158
Corporate and other unallocated expenses, net							(9,374)	(3,309)
Finance costs							<u>(4,168)</u>	<u>(1,576)</u>
Profit before tax							<u>46,922</u>	<u>51,576</u>
Other segment disclosures								
Capital expenditure# Operating segment	<u>38</u>	<u>43</u>	<u>103,205</u>	<u>147,292</u>	<u>525</u>	<u>334</u>	<u>103,768</u>	<u>147,669</u>
Fair value gain on investment properties	<u>—</u>	<u>—</u>	<u>6,386</u>	<u>23,440</u>	<u>—</u>	<u>—</u>	<u>6,386</u>	<u>23,440</u>
Depreciation Operating segment	<u>96</u>	<u>87</u>	<u>380</u>	<u>—</u>	<u>2,254</u>	<u>1,775</u>	<u>2,730</u>	<u>1,862</u>
Unallocated							<u>2</u>	<u>2</u>
Total depreciation							<u>2,732</u>	<u>1,864</u>

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

Segment assets and liabilities

	Investment and asset management services		Property investment and development		Building services		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March
	2018	2018	2018	2018	2018	2018	2018	2018
	<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>
Assets								
Segment assets	133,324	138,731	741,039	617,856	237,987	191,464	1,112,350	948,051
Corporate and other unallocated assets							103,122	344,071
Total assets							<u>1,215,472</u>	<u>1,292,122</u>
Liabilities								
Segment liabilities	52,533	53,056	116,313	47,740	99,192	99,261	268,038	200,057
Corporate and other unallocated liabilities							440,058	604,231
Total liabilities							<u>708,096</u>	<u>804,288</u>

Geographical information

(a) Revenue from external customers

	Unaudited Six months ended 30 September	
	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong	176,690	418,289
PRC	101,425	30,703
	<u>278,115</u>	<u>448,992</u>

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

(b) *Non-current assets*

	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 HK\$'000
Hong Kong	73,113	73,204
PRC	<u>644,532</u>	<u>595,449</u>
	<u>717,645</u>	<u>668,653</u>

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

5. REVENUE, OTHER INCOME, GAINS AND LOSSES

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

	Unaudited Six months ended 30 September 2018 HK\$'000	2017 HK\$'000
Revenue		
Contract revenue	176,690	418,289
Investment and asset management fee income	100,468	30,703
Rental income from investment properties	957	—
	<u>278,115</u>	<u>448,992</u>
Timing of revenue recognition		
Over time	<u>278,115</u>	<u>448,992</u>
Other income, gains and losses, net		
Interest income	966	158
Management fee income	—	1,028
Investment advisory income	680	—
Gross rental income	108	108
Fair value gain on revaluation of derivative financial instruments	—	1,369
Fair value (loss)/gain on financial assets at fair value through profit or loss	(5,664)	627
Gain on written off of other payables	—	342
(Loss)/gain on disposal of financial assets at fair value through profit or loss	(632)	228
Gain on disposal of items of property, plant and equipment	3	187
Foreign exchange difference, net	4,390	—
Sundry income	113	61
	<u>(36)</u>	<u>4,108</u>

6. FINANCE COSTS

	Unaudited	
	Six months ended	
	30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on convertible bonds (<i>note 14</i>)	940	847
Interest on bank and other borrowings	3,228	729
	<u>4,168</u>	<u>1,576</u>

7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	Unaudited	
	Six months ended	
	30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contract cost	167,044	404,451
Cost of management services provided	36,004	2,139
Depreciation	2,732	1,864
Employee benefit expenses (exclusive of directors' remuneration)	29,866	26,700
Directors' remuneration	1,519	894
Foreign exchange difference, net	(4,390)	766
	<u>(4,390)</u>	<u>766</u>

8. INCOME TAX

Hong Kong profit tax is calculated at 16.5% (six months ended 30 September 2017: 16.5%) on the estimated assessable profits. Tax on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	Unaudited	
	Six months ended	
	30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current — Hong Kong	—	726
Current — PRC	15,275	3,798
Deferred	1,626	5,860
	<u>16,901</u>	<u>10,384</u>
Total tax charge for the period	<u>16,901</u>	<u>10,384</u>

9. DIVIDEND

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

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic earnings per share for the Reporting Period is based on the consolidated profit attributable to owners of the parent and the weighted average number of ordinary shares of 4,022,971,338 (six months ended 30 September 2017: 4,000,000,000) in issue during the Reporting Period.

	Unaudited	
	Six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
Earnings		
Profit attributable to owners of the parent, used in the basic earnings per share calculation:	30,051	41,192
Interest on convertible bonds	—	707
Fair value gain on the derivative component of the convertible bonds	—	(1,369)
	<u>30,051</u>	<u>40,530</u>
Profit attributable to owners of the parent used in the diluted earnings per share calculation	<u>30,051</u>	<u>40,530</u>
Number of shares		
Unaudited		
Six months ended		
30 September		
	2018	2017
Shares		
Weighted average number of ordinary share in issue during the period used in the basic earnings per share calculation	4,022,971,338	4,000,000,000
Effect of dilution — weighted average number of ordinary shares:		
Share options	960,020	—
Convertible bonds	—	22,971,338
	<u>960,020</u>	<u>22,971,338</u>
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	<u>4,023,931,358</u>	<u>4,022,971,338</u>

11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six months ended 30 September 2018, the Group incurred approximately HK\$1,985,000 and HK\$101,783,000 (six months ended 30 September 2017: approximately HK\$846,000 and HK\$146,823,000) on the additions of items of property, plant and equipment and investment properties, respectively.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE INVESTMENTS

	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 HK\$'000
Unlisted fund investments, at fair value (<i>note</i>)	32,530	37,662
Listed equity investments, at market value	<u>3,475</u>	<u>15,167</u>
	<u>36,005</u>	<u>52,829</u>
Analysed into:		
Non-current	32,530	37,662
Current	<u>3,475</u>	<u>15,167</u>
	<u>36,005</u>	<u>52,829</u>

Note: The unlisted fund investments were previously classified as available-for-sale financial assets as at 31 March 2018. Upon adoption of HKFRS 9 as detailed in note 3, the Group reclassified the investments as financial assets at fair value through profit or loss.

13. ACCOUNTS RECEIVABLE

	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 HK\$'000
Due from third parties	<u>130,503</u>	<u>114,638</u>

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

The payment terms of receivables for investment and asset management services 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 payments from their project employers.

As set out in note 3, retentions receivable included in accounts receivable which amounted to HK\$44,250,000 were reclassified to contract assets upon initial application of HKFRS 15 as at 1 April 2018. Retention receivables 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 aging analysis of the accounts receivable that are not individually nor collectively considered to be impaired is as follows:

	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 <i>HK\$'000</i>
Past due but not impaired:		
One to three months past due	3,921	7,455
Four to six months past due	—	56
Over six months past due	—	2,592
	<u>3,921</u>	<u>10,103</u>
Neither past due nor impaired	<u>126,582</u>	<u>104,535</u>
	<u>130,503</u>	<u>114,638</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. CONVERTIBLE BONDS

On 12 June 2017 (the “Issue Date”), the Company issued convertible bonds in the principal amount of US\$7,330,000 (the “Convertible Bonds”) which bear interest at 6% per annum and is payable half-yearly in arrears on 12 December and 12 June. The Convertible Bonds mature on the date ending on 24 months from the date of the Issue Date (the “Maturity Date”) and are convertible at the option of the bondholders into ordinary shares of the Company at any time after one year of the Issue Date and ending on 10 business days immediately preceding the Maturity Date at an initial conversion price of HK\$1.5 per share. The Company may early redeem the Convertible Bonds on or at any time after 6 months from the Issue Date but prior to the Maturity Date at 100% of the outstanding principal amount of the Convertible Bonds plus accrued and unpaid interest.

The Convertible Bonds contain two components, liability component and derivative financial instruments component. The liability component was carried at amortised cost using effective interest method. The derivative financial instruments component was measured at fair value using the Binomial Option Pricing model method with any changes in fair value recognised in profit or loss. The effective interest rate of the liability component was 4.71%.

On 9 February 2018, the Group entered into a supplemental agreement to modify the principal amount of convertible bonds (the “Modified Convertible Bonds”) from US\$7,330,000 to HK\$56,808,000 and certain anti-dilutive clauses. The modification was completed on the same date of the supplemental agreement. Upon modification, the Modified Convertible Bonds contain two components: liability component and equity component. The liability component was carried at amortised cost using effective interest method. The residual amount is assigned as the equity component and is included in reserve. The effective interest rate of the liability component upon modification was 8.48%.

On 12 June 2018, the bondholder has exercised its conversion options and convertible bonds in the aggregate principal amount of HK\$56,808,000 were converted into 37,871,666 ordinary shares of the Company.

The movement of the net proceeds received from the issue of the Convertible Bonds and the modification of the Modified Convertible Bonds are as follows:

	Derivative component <i>HK\$'000</i>	Liability component <i>HK\$'000</i>	Equity component <i>HK\$'000</i>	Total <i>HK\$'000</i>
At Issue Date	(1,360)	58,419	—	57,059
Fair value gain	(716)	—	—	(716)
Exchange loss	—	156	—	156
Modification of the terms of convertible bonds				
— Gain on modification of convertible bonds	—	684	—	684
— Extinguishment of original convertible bonds upon modification of terms	2,076	(59,377)	—	(57,301)
— Recognition of convertible bonds upon modification of terms	—	55,548	384	55,932
Interest on convertible bonds	—	2,492	—	2,492
Interest paid	—	(1,729)	—	(1,729)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018 and 1 April 2018 (audited)	—	56,193	384	56,577
Interest on convertible bonds	—	940	—	940
Interest paid	—	(1,725)	—	(1,725)
Conversion during the period	—	(55,408)	(384)	(55,792)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2018 (unaudited)	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15. ACCOUNTS PAYABLE

An aging analysis of the accounts payable at the end of the reporting date, based on the invoice date, is as follows:

	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 HK\$'000
Current to 3 months	<u>142,655</u>	<u>63,309</u>

As at 30 September 2018, retentions payable included in accounts payable amounted to HK\$34,376,000 (31 March 2018: HK\$36,583,000), 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.

16. BANK AND OTHER BORROWINGS

	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 HK\$'000
Current		
Other loan from a money lender licensee — secured (<i>note a</i>)	90,000	90,000
Non-current		
Bank loans — secured (<i>note b</i>)	158,590	169,047
Other loan from the ultimate holding company of the Company (<i>note c</i>)	—	44,047
Other loan from a company controlled by Mr. Wei (<i>note d</i>)	<u>127,563</u>	<u>—</u>
	<u>376,153</u>	<u>303,094</u>
Analysed into:		
Within one year or on demand	90,000	90,000
In the second to fifth years, inclusive	<u>286,153</u>	<u>213,094</u>
	<u>376,153</u>	<u>303,094</u>

Note a: The balance is secured by charges over the Group's certain property, plant and equipment and an investment property situated in Hong Kong, with carrying amounts of HK\$55,537,000 and HK\$9,000,000 respectively as at 30 September 2018 (31 March 2018: HK\$56,496,000 and HK\$9,000,000 respectively). The balance is also guaranteed by the Company and bearing a contractual interest rate of 3.89% per annum.

Note b: The balance is secured by pledged deposit of HK\$158,158,000 (31 March 2018: HK\$201,989,000) by the ultimate holding company of the Company and bearing a contractual interest rate of 1.7%.

Note c: The balance was bearing a contractual interest rate of 1.5%.

Note d: Mr. Wei Jie (“Mr. Wei”) is an executive director, chairman of the Board and the chief executive officer of the Company. The balance is unsecured, interest-free and not repayable within one year from the end of the Reporting Period.

17. SHARE CAPITAL

Shares

	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 HK\$'000
Authorised:		
100,000,000,000 ordinary shares of HK\$0.001 each (31 March 2018: 100,000,000,000 ordinary shares of HK\$0.001 each)	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
4,037,871,666 ordinary shares of HK\$0.001 each (31 March 2018: 4,000,000,000 ordinary shares of HK\$0.001 each)	<u>4,038</u>	<u>4,000</u>

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. Since the second half of 2017, the Group has acquired the land use rights of several parcels of land in the PRC as it intends to expand its business portfolio in property investment and development with focuses primarily in developing unique towns in the PRC.

Investment and Asset Management Services

Since the year ended 31 March 2017, the Group has expanded its business portfolio into the areas of investment and asset management with focuses on the public private partnership (“PPP”) projects under the collaboration with the PRC government in relation to infrastructure projects through the subsidiaries, which are principally engaged in investment management and consulting (save for securities and futures) and with the required licence for fund management activities. As at 30 September 2018, the Group is responsible for the management and operation of 30 private equity funds (the “Funds”) with target investment primarily in the PPP projects. As of 30 September 2018, the aggregate target fund size of the Funds was approximately RMB25.5 billion and the total asset under management amounted to approximately RMB9.7 billion.

Property Investment and Development

As at 30 September 2018, the Group held 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 located at Xiangshan County of Ningbo City in Zhejiang Province, one parcel of land in the Yueyang City of Hunan Province and a parcel of land with seven commercial buildings erected on the same land located at Xuyi County of Huaian City in Jiangsu Province.

Bao Ming (Hong Kong) Real Estate Group Limited (“Bao Ming”), an indirect wholly-owned subsidiary of the Company, is the investment vehicle of the Group for property investment and development business with focus primarily in developing unique towns in the PRC. The Board believes that focusing on unique towns projects in the PRC represents an opportunity for the Group to lay a solid foundation for its long term development growth.

In anticipation of volatility and uncertain economic environment in the PRC, the Group will remain cautious and continue to seek sound and stable investment opportunities to enhance its property investment and development business in the PRC to generate sustainable returns to the shareholders of the Company.

Summary of the Group's property development in the PRC is disclosed as follows:

City	Yueyang City	Ningbo City	Gaoyou City	Gaoyou City	Huaian City	Huaian City
Land/property	Yueyang Land	Xiangshan Land	First and second Gaoyou Land	Third Gaoyou Land	Huaian Land	Xuyi Property
Province	Hunan Province	Zhejiang Province	Jiangsu Province	Jiangsu Province	Jiangsu Province	Jiangsu Province
Address	Located at Junshan District* (君山區), Yueyang City	Located at Xiangshan County* (象山縣), Ningbo City	Located at Song Qiao Town, Li Gu Village* (送橋鎮李古村), Gaoyou City	Located at Song Qiao Town, Li Gu Village* (送橋鎮李古村), Gaoyou City	Located at Hongze District* (洪澤區), Huaian City	Located at Xuyi Country* (盱眙縣), Huaian City
Usage	Office, Shopping mall, Hotel and Serviced Apartments	Office, Convention and Exhibition Centre, Hotel	Research and Development Centre, Production Factory	Office, Convention and Exhibition Centre, Hotel	Research and Development Centre, Production Factory	Office, Hotel
Site area (s.q.m)	138,648	51,222	189,756	32,365	193,016	9,173
Maximum gross floor area (s.q.m)	298,093	112,688	379,512	129,460	308,826	4,913
Interest attributable to the Group (%)	99.7%	99.7%	98.9%	99.8%	98.9%	100.0%
Stage of completion	Construction in progress	Expected to commence in fourth quarter of 2018	Construction in progress	Construction in progress	Construction in progress	N/A
Expected year of construction completion	By phases from 2019 to 2020	By phases from 2020 to 2021	By phases from 2019 to 2020	By phases from 2019 to 2020	By phases from 2020	N/A

* for identification purpose only

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 30 September 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\$243.6 million. The Group's building services business is undertaken by an operating subsidiary, Fungs E & M Engineering Company Limited, 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 Reporting Period was approximately HK\$278.1 million, representing an decrease of approximately 38.1% from approximately HK\$449.0 million for the same period last year. The decrease was mainly due to the combined effect of:

- (i) Provision of investment and asset management services in the PRC has generated rapid growth in revenue from approximately HK\$30.7 million for the same period last year to approximately HK\$100.5 million for the Reporting Period, as the number of the Funds established by the Group and the fund size of the Funds have increased compared to the same period last year.
- (ii) Contract revenue from building services business has decreased from approximately HK\$418.3 million for the same period last year to approximately HK\$176.7 million for the Reporting Period, as certain one-off project with significant project amount has been substantially completed during the year ended 31 March 2018.

Gross profit margin

During the Reporting Period, the Group recorded a gross profit of approximately HK\$75.1 million. The gross profit margin increased from approximately 9.4% for the six months ended 30 September 2017 to approximately 27.0% for the Reporting Period. The increase was mainly due to growth in revenue from the investment and asset management business during the Reporting Period, which contributed a higher gross profit margin for the Reporting Period.

Fair value gain on investment properties

For the Reporting Period, the Group recorded fair value gain on investment properties of approximately HK\$6.4 million, and approximately HK\$23.4 million for the same period last year.

Other income, gains and losses, net

Other income, gains and losses represents net losses of approximately HK\$36,000 for the Reporting Period (six months ended 30 September 2017: net gains of approximately HK\$4.1 million). The change was mainly due to the fair value loss on financial assets at fair value through profit or loss of approximately HK\$5.7 million for the Reporting Period, while a fair value gain on financial assets at fair value through profit or loss of approximately HK\$0.6 million was recorded for the same period last year. In addition, a fair value gain of approximately HK\$1.4 million on revaluation of derivative financial instruments was recorded for the same period last year, while no such gain was recorded for the Reporting Period.

Administrative expenses

The Group's administrative expenses for the six months ended 30 September 2018 were approximately HK\$30.3 million, representing an increase of 80.4% from approximately HK\$16.8 million for the same period last year. The increase was mainly attributable to the expansion of the businesses of investment and assets management service and property investment and development.

Profit for the period

For the Reporting Period, the Group recorded net profit of approximately HK\$30.0 million, an decrease of approximately HK\$11.2 million as compared to the net profit of approximately HK\$41.2 million for the same period last year. This was mainly due to the decrease in fair value gain on investment properties and increase in administrative expenses for the Reporting Period, as compared to the same period last year.

Liquidity and Financial Resources

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank and other borrowings and cash inflows from operating activities.

As at 30 September 2018, the Group had a total of bank and other borrowings of approximately HK\$376.2 million (31 March 2018: approximately HK\$303.1 million). HK\$90.0 million of the bank and other borrowings will be due within one year from the end of the Reporting Period or on demand; and approximately HK\$286.2 million of the bank and other borrowings will be due in the second to fifth years, inclusive, from the end of the Reporting Period.

As at 30 September 2018, the Group had an aggregate of banking facilities and other loan facilities of approximately HK\$18.0 million and HK\$683.6 million (31 March 2018: approximately HK\$30.0 million and HK\$755.1 million), respectively.

As at 30 September 2018, the Group had cash and cash equivalents of approximately HK\$100.1 million, representing a decrease of 69.4% from approximately HK\$327.1 million as of 31 March 2018. The Group had a pledged deposit for a life insurance product with a carrying amount of approximately HK\$6.7 million and HK\$6.6 million as at 30 September 2018 and 31 March 2018, respectively. The decrease in cash and cash equivalents during the Reporting Period was mainly due to the combined effects of (i) repayment of bank and other borrowings of approximately HK\$158.5 million; and (ii) payment for the additions of investment properties of approximately HK\$101.8 million. As at 30 September 2018, the Group's cash and cash equivalents were mainly denominated in Renminbi ("RMB") and Hong Kong dollars ("HK\$").

Gearing ratio is calculated based on the net debt divided by the adjusted capital plus net debt. Net debt is calculated as the total of bank and other borrowings and amounts due to companies controlled by Mr. Wei (included in other payables and accruals) less cash and cash equivalents. Adjusted capital is calculated as the total of equity attributable to owners of the parent and liability component of convertible of bonds. Gearing ratio as at 30 September 2018 was 42.0% (31 March 2018: 30.3%).

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. Please refer to the announcements of the Company dated 1 June 2017, 12 June 2017 and 12 June 2018 for further details of the Convertible Bonds and the Conversion.

Capital Expenditures

For the Reporting Period, the Group incurred approximately HK\$2.0 million and HK\$101.8 million (six months ended 30 September 2017: approximately HK\$0.9 million and HK\$146.8 million) on the additions of items of property, plant and equipment and investment properties, respectively.

PROSPECTS

The recent trade tensions between the United States and the PRC has created uncertainties to the global economy as well as businesses. The uncertainties may hinder the investor’s confidence in financial market and increase the volatility of financial markets of both the PRC and Hong Kong. In order to stabilise the economy and mitigate the impact of tariff, the PRC government has recently announced certain defensive measures such as moderate relaxation of monetary policy and implementation of certain proactive fiscal policies. In light of the challenging environment, the Group would take a very cautious view on the outlook and shall adopt a prudent approach in its business activities, property investments and other investments.

During the Reporting Period, the PRC regulatory authorities launched a series of policies and measures to strengthen supervision, and smoothly and orderly promoted the financial system to reduce leverage. The Group expects this will undoubtedly accelerate the restructuring of economic ecosystem in the PRC. Considering the Group’s operating results in the Reporting Period, the Group believes its investment and asset management business will continue to deliver long term growth and play a leading position in the market. The Group looks forward to continuing to fulfill the ever-changing investment and asset management needs of its clients.

According to the relevant PRC national policies, private capital is encouraged to participate in the public sector, and pursuant to which, PPP is increasingly adopted in public infrastructure projects in the PRC, and in particular predominantly adopted in unique town initiatives, led by the PRC government. In the first half of 2018, the PRC's economy maintained a generally stable and improved trend, with growth in GDP up to 6.8% on a year-on-year basis, which was better than expected. The Group expects the PRC government will provide continuous support on the development of unique towns in the form of PPP.

In the view of the above, the Group considers its continued expansion and development in the property investment and development business with the focus on developing unique towns still represents an excellent opportunity for the Group to achieve sustainable long term growth.

For building services business in Hong Kong, the Group is aware that the keen industry competition and economic uncertainties in Hong Kong may continually affect the Group's operation in building services business. The Group will closely monitor the market and respond to changes in market conditions and continue to improve the competitiveness in the market by continuing to provide quality works to the customers. The Group will also price its tender or quotation competitively to maintain business relationship with existing customers.

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.

As at 30 September 2018, the Group's bank borrowings are denominated in Euro, being currencies other than the functional currency of the relevant group entities, which expose the Group to foreign currency risk. The Group has not used any financial instruments to hedge against currency risk. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group's building services business is located in Hong Kong and is transacted and settled in HK\$ while the Group's investment and asset management services business and property investment and development business are located in the PRC and are transacted and settled in RMB. Accordingly, the Directors considered that the Group's foreign exchange risk is insignificant.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

CHARGE ON ASSETS

Save as disclosed in note 16 to the condensed consolidated interim financial information, as at 30 September 2018, the banking facilities of the Group amounting to approximately HK\$18.0 million were secured by (i) pledged deposit for a life insurance product with a carrying amount of approximately HK\$6.7 million; (ii) bank balances with a carrying amount of approximately HK\$19.4 million.

SIGNIFICANT INVESTMENTS

Save as disclosed, during the Reporting Period, the Company did not hold any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

In view of the expansion of the Group in property investment and development with focuses primarily in developing unique towns in the PRC, the Group shall further invest in the development of land parcels acquired by the Group and shall participate in the auction of land use rights of additional land parcels should the location of the land parcels are in line with the Group's strategy in property investment and development.

STAFF AND REMUNERATION POLICY

As of 30 September 2018, the Group employed 122 employees. The Group reviewed employees' remuneration from time to time and salary adjustment was normally made on an annual basis with reference to their performance, work experience and the prevailing market conditions. Staff benefits include mandatory provident fund and training programs. The Company adopted a share option scheme on 22 September 2014, under which the Company can grant options to selected participants including employees and Directors as incentives or rewards for their contribution to the Group. As at 30 September 2018, 5,000,000 share options were granted under the share option scheme.

The total remuneration cost incurred by the Group for the Reporting Period was approximately HK\$31.4 million (six months ended 30 September 2017: approximately HK\$27.6 million).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period under review.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. This announcement outlines the principles and the code provisions of the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Listing Rules. The Directors consider that the Company has applied the principles and complied with all the applicable code provisions set out in the Code since the Listing Date, except for the below deviation:

Code Provisions A.2.1

Mr. Wei Jie, the Chairman of the Group, is responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. Mr. Wei Jie is also responsible for running the Group’s business and effective implementation of the strategies of the Group. The Company is aware of the requirement under paragraph A.2.1 of the Code that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Nevertheless, the Board considers that the combination of the roles of Chairman and Chief Executive Officer will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. The Board is of the view that this structure provides the Group with strong and consistent leadership, which can facilitate the formulation and implementation of its strategies and decisions and enable it to grasp business opportunities and react to changes efficiently. As such, the Board believes that it is beneficial to the business prospects of the Group with Mr. Wei Jie performing both the roles of Chairman and Chief Executive Officer.

Code Provisions E.1.2

Under code provision E.1.2, the Chairman of the Board should attend the annual general meeting. Due to other business engagement which must be attended to by the Chairman, Mr. Wei Jie, he was unable to attend the annual general meeting of the Company held on 14 September 2018 (“the 2018 AGM”). Mr. Wong Kam Ting, an executive Director and the Company Secretary of the Company, acted as the chairman of the 2018 AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a model code of conduct regarding securities transactions by the Directors on terms no less than the required standards as set out in the model code for securities transactions by directors of listed issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”). Having made specific enquiry of all Directors of the Company, all Directors have confirmed that they complied with the required standards set out in the Model Code during the Reporting Period.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend in respect of the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed minimum public float under the Listing Rules.

REVIEWED BY AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors, namely Mr. Cheung Ying Kwan (Chairman), Mr. Niu Zhongjie and Mr. Chen Zhao, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed the Group’s condensed consolidated financial information for the six months ended 30 September 2018, including the accounting principles adopted by the Group, with the Company’s management. The Group’s condensed consolidated financial information for the six months ended 30 September 2018 has not been reviewed by the auditor of the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

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

Hong Kong, 29 November 2018

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.

* *for identification purpose only*