德泰新能源集團有限公司
DeTai New Energy Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 559)

2018/2019 INTERIM RESULTS ANNOUNCEMENT

The board (the "Board") of directors (the "Directors") of DeTai New Energy Group Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2018

		For the six months ended 31 December	
		2018	2017
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Continuing operations			
Turnover	*3*	**31,311**	26,801
Cost of sales		**(11,073)**	(15,962)
Gross profit		**20,238**	10,839
Bank interest income		**9**	5
Other income		**182**	116
Gain on the disposal of subsidiaries	*4*	**880**	36,177
General and administrative expenses		**(47,920)**	(81,698)
Selling and distribution expenses		**(1,040)**	(2,714)
Finance costs	*5*	**(618)**	(4,811)
Impairment loss on loans receivable	*16*	**(29,401)**	(2,441)
Impairment loss on intangible assets	*12*	**(6,569)**	(124,820)
Impairment loss on goodwill	*13*	**–**	(60,345)
Change in fair value of financial liabilities at fair value through profit or loss	*21*	**–**	131,221
Loss before taxation	*6*	**(64,239)**	(98,471)
Taxation	*7*	**2,143**	27,605
Loss for the period from continuing operations		**(62,096)**	(70,866)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Continued)

For the six months ended 31 December 2018

	Note	For the six months ended 31 December **2018** *HK$'000* (Unaudited)	2017 *HK$'000* (Unaudited)
Discontinued operations			
Profit for the period from discontinued operations	*8*	**–**	5,815
Loss for the period		**(62,096)**	(65,051)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation of financial statements of foreign operations		**7,468**	1,057
Change in fair value of available-for-sale investments		**–**	4,127
Release of exchange reserve to profit or loss upon disposal of subsidiaries		**–**	2,504
Item that will not be subsequently reclassified to profit or loss			
Changes in fair value of financial assets at fair value through other comprehensive income		**2,647**	–
Other comprehensive income for the period		**10,115**	7,688
Total comprehensive income for the period		**(51,981)**	(57,363)
Loss for the period attributable to:			
Owners of the Company		**(53,896)**	(65,516)
Non-controlling interests		**(8,200)**	465
		(62,096)	(65,051)
Total comprehensive income for the period attributable to:			
Owners of the Company		**(44,941)**	(57,889)
Non-controlling interests		**(7,040)**	526
		(51,981)	(57,363)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Continued)
For the six months ended 31 December 2018

	Note	For the six months ended 31 December 2018 HK$'000 (Unaudited)	2017 HK$'000 (Unaudited)
(Loss)/earnings per share to owners of the Company from continuing and discontinued operations:	*10*		
— Basic		**HK(0.34) cent**	HK(1.25) cents
— Diluted		**HK(0.34) cent**	HK(1.25) cents
From continuing operations			
— Basic		**HK(0.34) cent**	HK(1.36) cents
— Diluted		**HK(0.34) cent**	HK(1.36) cents
From discontinued operations			
— Basic		**N/A**	HK0.11 cent
— Diluted		**N/A**	HK0.11 cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	**31 December 2018** *HK$'000* **(Unaudited)**	30 June 2018 *HK$'000* (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*11*	**484,730**	492,477
Interests in an associate		**–**	–
Intangible assets	*12*	**–**	7,100
Goodwill	*13*	**56,226**	55,997
Available-for-sale investments	*14*	**–**	107,356
Financial assets at fair value through other comprehensive income	*14*	**107,479**	–
Total non-current assets		**648,435**	662,930
Current assets			
Inventories		**55,135**	56,625
Trade receivables, other receivables, deposits and prepayments	*15*	**34,055**	57,194
Loans receivable	*16*	**206,642**	167,282
Amount due from non-controlling interests	*27*	**28,337**	–
Financial assets at fair value through profit or loss	*17*	**20,000**	30,000
Pledged bank balances	*23*	**1,384**	3,655
Bank balances and cash		**372,522**	421,680
		718,075	736,436
Assets of a disposal group held for sale	*24*	**9,802**	10,341
Total current assets		**727,877**	746,777
Current liabilities			
Trade payables, other advances and accruals	*18*	**14,065**	47,416
Borrowings	*19*	**10,904**	10,706
Amount due to non-controlling interests	*20*	**68,602**	–
Tax payable		**2,717**	2,717
		96,288	60,839
Liabilities of a disposal group held for sale	*24*	**369**	284
Total current liabilities		**96,657**	61,123
Net current assets		**631,220**	685,654
Total assets less current liabilities		**1,279,655**	1,348,584

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)
As at 31 December 2018

	Notes	31 December 2018 HK$'000 (Unaudited)	30 June 2018 HK$'000 (Audited)
Non-current liabilities			
Borrowings	*19*	**131,250**	135,222
Deferred tax liabilities		**72,393**	74,258
Total non-current liabilities		**203,643**	209,480
Net assets		**1,076,012**	1,139,104
EQUITY			
Share capital	*22*	**784,776**	784,776
Reserves		**359,285**	353,658
Equity attributable to owners of the Company		**1,144,061**	1,138,434
Non-controlling interests		**(68,049)**	670
Total equity		**1,076,012**	1,139,104

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2018

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group have 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 of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 30 June 2018. The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 30 June 2018, except for the adoption of the new or amended Hong Kong Financial Reporting Standards ("HKFRSs"), which include individual HKFRSs, HKAS and Interpretations ("Int"). The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

2.1 Adoption of new/revised HKFRSs

In the current period, the Group has applied for the first time the following new standards, amendments and interpretations ("the new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's condensed consolidated financial statements for the annual period beginning on 1 July 2018:

Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarification to HKFRS 15)
HK(IFRIC)—Interpretation 22	Foreign Currency Transactions and Advance Considerations

Except for the effect stated below, the adoption of the new/revised HKFRSs has no material impact on the Group's condensed consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group has applied HKFRS 9 retrospectively, with the initial application date of 1 July 2018.

(a) Classification and measurement

HKFRS 9 basically retains the exiting requirements in HKAS 39 for the classification and measurements of financial liabilities. The adoption of HKFRS 9 has no material impact on the Group's accounting policies related to financial liabilities. Under HKFRS 9, financial assets are measured at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction cost at initial recognition and subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instrument's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the "SPPI" criterion).

The new classification and measurement of the Group's financial assets are as follows:

— Debt instruments at amortised cost that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's bank balances and cash, pledged bank deposits, loans receivable, trade receivables, amount due from non-controlling interests and financial assets included in other receivables and deposits.

— Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes unlisted private funds, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unlisted private funds as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under HKFRS 9. Under HKAS 39, those unlisted private funds were classified as available-for-sale investments.

— Financial assets at FVPL include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under HKAS 39, those debt instruments were classified as financial assets at FVPL.

The assessment of the Group's business model was made as of initial application, i.e. 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The Group elected to present in other comprehensive income for the fair value changes of all its investments in unlisted private funds previously classified as available-for-sale investments because these investments are not held for trading and not expected to be sold in the foreseeable future. Accordingly, the condensed consolidated statement of financial position as at 1 July 2018 was adjusted, resulting in a reclassification of available-for-sale investments to financial assets at FVOCI of HK$107,356,000 at the date of initial application of HKFRS 9. In addition, the fair value gains of HK$4,831,000 relating to those investments in unlisted private funds previously carried at fair value in available-for-sale investments revaluation reserve and the impairment losses of HK$6,784,000 relating to investments in unlisted private funds previously recognised in accumulated losses were then be transferred to fair value through other comprehensive income reserve as at 1 July 2018.

(b) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 "incurred loss model" to the "expected credit losses ("ECLs") model". HKFRS 9 requires the Group to recognised ECL for loans receivable, trade receivables, amount due from non-controlling interests, other receivables and deposits earlier than HKAS 39. Pledged bank deposits and bank balances and cash are subject to ECL model but the Group considered the effect of impairment is insignificant for the current period.

Under HKFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date: and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Loans receivable

For loans receivable, the Group applied different expected loss rates to different classes of receivables according to their respective risk characteristics for measuring ECLs under HKFRS 9 and recognised 12-months ECLs or lifetime ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of loans receivable have increased significantly since initial recognition and when estimating ECLs, the Group engaged an independent qualified valuer to assist the management to determine the ECLs by considering reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information.

As at 1 July 2018, the expected credit loss allowance of HK$12,910,000 on the loans receivable has been recognised against accumulated losses. The balances of loans receivable as at 30 June 2018 reconciled to the balances as at 1 July 2018 is as follows:

	Loans receivable
	HK$'000
At 30 June 2018	167,282
Less: Recognition of additional ECLs upon the implementation of HKFRS 9	(12,910)
At 1 July 2018	154,372

Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. This resulted in an increase of the loss allowance on 1 July 2018 by HK$40,000 for trade receivables.

Other receivables and deposits

Other receivables and deposits are measured at amortised cost. Upon the implementation of HKFRS 9, expected credit loss allowances of HK$440,000 has been recognised against accumulated losses as at 1 July 2018.

(c) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the consolidated statement of financial position as at 30 June 2018, but are recognised in the consolidated statement of financial position on 1 July 2018. This mean that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in accumulated losses and reserves as at 1 July 2018. Accordingly, the information presented for 30 June 2018 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of HKFRS 9:

- The determination of the business model within which a financial asset is held;

- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL; and

- The designation of certain investments in equity investments not held for trading as at FVOCI.

If an investment in a debt investment had low credit risk at the date of initial application of HKFRS 9, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations. HKFRS 15 has established a five-steps model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted HKFRS 15 using the cumulative effect transition method. The Group has recognised the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained profits at the date of initial application (that is, 1 July 2018) if any. As a result, the financial information presented for the six months ended 31 December 2017 has not been restated.

HKFRS 15 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 Group has assessed the impacts of adopting HKFRS 15 on its condensed consolidated financial statements and has no significant impact on the Group's revenue recognition.

Revenue from sales of goods is recognised at a point in time as when the control of the goods has been transferred to the customers and there is no unfulfilling performance obligation after the acceptance of the goods. Hotel revenue from room rental, food and beverage sales and other ancillary services are recognised when the relevant services provided to the customers and there is no unfulfilling performance obligation after the services rendering.

Upon the adoption of HKFRS 15, if there is any satisfied performance obligation but where the Group does not have an unconditional right to consideration, the Group should recognised a contract asset. No contract asset is recognised upon transition and at the end of reporting period. If the Group does not satisfied any performance obligation but the Group has an unconditional right to consideration, the Group should recognised contract liabilities. No contract liabilities is recognised upon transition.

2.2 New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 16	Leases[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, Business Combinations[1]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 11, Joint Arrangements[1]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 12, Income Taxes[1]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 23, Borrowing Costs[1]
Amendments to HKFRS 10 and HKAS28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]

[1] Effective for annual periods beginning on or after 1 January 2019.

[2] The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Total operating lease commitment of the Group in respect of office and vehicles as at 31 December 2018 amounted to HK$6,836,000. The directors do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in a significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the form of an assets (for the right-of-use) and a financial liability (for the payment obligation) in the condensed consolidated statement of financial position.

HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12 Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKFRS 9 Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met — instead of at fair value through profit or loss.

The Group is in the process of making an assessment of the potential impact of these new pronouncements upon application.

3. TURNOVER AND SEGMENT INFORMATION

Turnover, which is also revenue, represents the amounts received and receivable for goods sold to outside customers, net of returns and discounts and sales related taxes, income from hotel operations, interest income from loans receivable and dividend income on listed securities and funds during the period.

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

For the six months ended 31 December 2017, the Group has completed the disposal of the electric cycle business. In accordance with HKFRS 5, the segments of electric cycles for the six months ended 31 December 2017 were presented as discontinued operations in the Group's condensed consolidated financial statements (note 8).

The Group currently has five reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies as follows:

(i) hotel hospitality business;

(ii) provision of money lending services;

(iii) new energy business;

(iv) trading and distribution of liquor and wine; and

(v) investments in funds.

There were no inter-segment transactions between different operating segments for the period. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that are used by the chief operating decision-makers for assessment of segment performance.

For the six months ended 31 December 2018

	Hotel hospitality business *HK$'000* **(Unaudited)**	**Money lending services** *HK$'000* **(Unaudited)**	**New energy business** *HK$'000* **(Unaudited)**	**Liquor and wine** *HK$'000* **(Unaudited)**	**Investments in funds** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Segment revenue	**15,026**	**11,625**	**4,122**	**538**	**–**	**31,311**
Segment loss	**(4,590)**	**(18,841)**	**(17,352)**	**(1,567)**	**(482)**	**(42,832)**
Unallocated corporate income and expenses, net						**(19,737)**
Finance costs						**(618)**
Gain on the disposal of a subsidiary						**880**
Share-based payment expenses						**(1,932)**
Loss before taxation						**(64,239)**
Other segment information:						
Impairment loss on intangible assets	**–**	**–**	**(6,569)**	**–**	**–**	**(6,569)**
Impairment loss on loans receivable	**–**	**(29,401)**	**–**	**–**	**–**	**(29,401)**

For the six months ended 31 December 2017

	Hotel hospitality business *HK$'000* (Unaudited)	Money lending services *HK$'000* (Unaudited)	New energy business *HK$'000* (Unaudited)	Liquor and wine *HK$'000* (Unaudited)	Investments in funds *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue	16,180	5,212	4,210	1,199	–	26,801
Segment (loss)/profit *(note)*	(3,635)	1,172	(91,562)	(7,356)	(2,225)	(103,606)
Unallocated corporate income and expenses, net						(22,182)
Finance costs						(4,811)
Gain on the disposal of a subsidiary						36,177
Share-based payment expenses						(4,049)
Loss before taxation						(98,471)
Other segment information:						
Impairment loss on intangible assets	–	–	(60,345)	–	–	(60,345)
Impairment loss on goodwill	–	–	(124,820)	–	–	(124,820)
Impairment loss on loans receivable	–	(2,441)	–	–	–	(2,441)
Change in fair value of financial liabilities at fair value through profit or loss	–	–	131,221	–	–	131,221

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

	31 December 2018	30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Segment assets		
Continuing operations		
Hotel hospitality business	**543,871**	546,586
Money lending services	**211,920**	193,031
New energy business	**10,406**	18,285
Liquor and wine	**75,769**	77,379
Investments in funds	**113,595**	109,265
Total segment assets	**955,561**	944,546
Assets of a disposal group held for sale	**9,802**	10,341
Unallocated bank balances and cash	**354,477**	407,182
Unallocated corporate assets *(note)*	**56,472**	47,638
Consolidated total assets	**1,376,312**	1,409,707
Segment liabilities		
Continuing operations		
Hotel hospitality business	**147,312**	148,440
Money lending services	**188**	3,573
New energy business	**73,687**	5,940
Liquor and wine	**2,580**	2,719
Investments in funds	**113**	260
Total segment liabilities	**223,880**	160,932
Liabilities of a disposal group held for sale	**369**	284
Tax payable	**2,717**	2,717
Deferred tax liabilities	**72,393**	74,258
Unallocated corporate liabilities *(note)*	**941**	32,412
Consolidated total liabilities	**300,300**	270,603

Note: Unallocated corporate assets mainly comprised of compensation from profit guarantee.

Unallocated corporate liabilities mainly comprised of the deposit received and accrued audit fee for the year ended 30 June 2018.

(b) Geographical segments

The Group's operations are located in Hong Kong (place of domicile), the People's Republic of China (the "PRC"), Japan, Sweden and Canada. The Group's revenue from external customers and information about its non-current assets (other than financial instruments) by geographical markets are detailed as below:

	Revenue from external customers (including continuing and discontinued operations) For the six months ended 31 December		Non-current assets	
	2018	2017	**31 December 2018**	30 June 2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Hong Kong	**11,625**	5,212	**2,772**	8,688
PRC	**1,482**	1,225	**1,178**	1,242
Japan	**15,026**	16,180	**535,358**	536,650
Sweden	**3,178**	4,210	**402**	7,538
Canada	**–**	–	**1,246**	1,456
	31,311	26,827	**540,956**	555,574

4. GAIN ON THE DISPOSAL OF SUBSIDIARIES

On 30 November 2018, the Group entered into a share transfer agreement with an independent third party to disposal of the entire equity interest of Show Art Limited at a consideration of HK$5,000,000. The gain on disposal amounted to HK$880,000 has been recognised for the six months ended 31 December 2018.

On 27 September 2017, a subsidiary of the Group as vendor entered into a share transfer agreement (the "Share Transfer Agreement") with two independent third parties as purchasers. Pursuant to the Share Transfer Agreement, the vendor agreed to sell and the purchasers agreed to acquire the entire equity interest of 國藏酒莊有限公司 (Guocang Liquor & Wine Merchant Limited) at a consideration of RMB100. The gain on disposal amounted to HK$36,177,000 has been recognised for the six months ended 31 December 2017.

5. FINANCE COSTS

	For the six months ended 31 December	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Interest on corporate bonds	**–**	3,335
Interest on bank loans and overdrafts	**618**	578
Other interest	**–**	898
	618	4,811

6. LOSS BEFORE TAXATION

	For the six months ended 31 December	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss before taxation is arrived at after charging:		
Continuing operations		
Amortisation of intangible assets	**536**	10,555
Amortisation of prepaid lease payments for land	**–**	132
Depreciation of property, plant and equipment	**5,195**	7,047
Share-based payments expenses	**1,932**	4,049

7. TAXATION

	For the six months ended 31 December					
	2018			2017		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Current tax for the year						
Japan	**10**	**–**	**10**	10	–	10
Deferred tax	**(2,153)**	**–**	**(2,153)**	(27,615)	–	(27,615)
Total income tax (credit)/expense	**(2,143)**	**–**	**(2,143)**	(27,605)	–	(27,605)

Hong Kong profit tax was provided at the rate of 16.5% on the estimated assessable profit arising in Hong Kong for both the six months ended 31 December 2018 and 2017. No provision for Hong Kong profits tax has been made for the current and prior periods as the Group has no assessable profits arising in Hong Kong.

The subsidiaries established in the PRC are subject to enterprise income tax ("EIT") at tax rates of 25% for both the six months ended 31 December 2018 and 2017. No provision for PRC EIT has been made for the current and prior periods as the Group has no assessable profits arising in the PRC.

Under the relevant Japan tax regulations, the profits of the business under tokumei kumiai arrangement which is distributed to a tokumei kumiai investor after deducting any accumulated losses in prior years is only subject to 20.42% withholding income tax in Japan. The withholding tax is final Japanese tax on such distributed tokumei kumiai profits and such profits are not subject to any other Japanese taxes. There is no withholding tax paid or payable for the six months ended 31 December 2018 and 2017 as there is no profit distribution.

The subsidiary established in Japan is subject to prefectural and municipal inhabitant taxes on a per capita basis in accordance with the relevant Japan tax regulations for the six months ended 31 December 2018 and 2017.

The subsidiary established in Sweden is subject to corporate income tax at tax rate of 22% for the six months ended 31 December 2018 and 2017. No provision for Sweden corporate income tax has been made for the current period as the Group has no assessable profits arising in Sweden.

8. DISCONTINUED OPERATIONS

During the six months ended 31 December 2017, the Group has completed to dispose the business of manufacturing and trading electric cycle ("Electric Cycle Business") to independent third parties. Electric Cycle Business represented separated line of major business and is classified as discontinued operations for the six months ended 31 December 2017. For the purpose of presenting discontinued operations, the comparative condensed consolidated statement of comprehensive income and the related notes have been represented.

The results of the Electric Cycle Business for the six months ended 31 December 2017 are as follows:

	HK$'000 (Unaudited)
Turnover	26
Cost of sales	(126)
Gross loss	(100)
Other income	108
Selling and distribution expenses	(1)
General and administrative expenses	(1,590)
Finance costs	(283)
Loss before taxation	(1,866)
Gain on disposal of discontinued operations *(note)*	7,681
Taxation	–
Profit for the period from discontinued operations	5,815

Note: On 18 December 2017, a subsidiary of the Group as vendor entered into a share transfer agreement (the "Jiangsu Youli Share Transfer Agreement") with two independent third parties as purchasers. Pursuant to the Jiangsu Youli Share Transfer Agreement, the vendor agreed to sell and the purchasers agreed to acquire the entire equity interest of 江蘇友立電動車有限公司 (Jiangsu Youli Electric Vehicle Co., Ltd.) at a consideration of RMB100. The gain on disposal amounted to HK$7,681,000 has been recognised for the six months ended 31 December 2017.

9. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 31 December 2018 (six months ended 31 December 2017: Nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period.

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

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

	For the six months ended 31 December	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share		
— Continuing operations	**(53,896)**	(71,331)
— Discontinued operations	**–**	5,815
Loss from continuing operations and discontinued operations	**(53,896)**	(65,516)

	Number of shares For the six months ended 31 December	
	2018	2017
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	**15,695,532**	5,231,844

Diluted loss per share amount for the six months ended 31 December 2018 and 2017 was not presented because the impact of the exercise of the share options and convertible preference shares was anti-dilutive. Potential ordinary shares are dilutive when and only when their conversion into ordinary shares would increase loss per share attributable to owners of the Company.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2018, the Group acquired items of property, plant and equipment with a cost of approximately HK$1,296,000 (six months ended 31 December 2017: HK$5,139,000). Items of property, plant and equipment with carrying amount of approximately HK$2,202,000 were disposed or written off during the six months ended 31 December 2018 (six months ended 31 December 2017: HK$321,000), resulting in a net loss on disposal of property, plant and equipment of approximately HK$656,000 (six months ended 31 December 2017: net loss on disposal of property, plant and equipment of approximately HK$258,000).

As at 31 December 2018, the Group pledged hotel land and building in Japan with an aggregated carrying value of HK$479,122,000 to secure banking facilities of the Group (30 June 2018: HK$479,005,000) (note 23).

12. INTANGIBLE ASSETS

As at 31 December 2018, the intangible assets consisting production formula, non-competition agreement and sales backlog agreements which acquired through the acquisition of Emission Particle Solution Sweden AB ("EPS"). There is no addition of intangible assets for the six months ended 31 December 2018 (six months ended 31 December 2017: Nil).

For the impairment testing, the intangible assets are allocated to cash generating unit ("CGU") of new energy business ("New Energy Business CGU") and its recoverable amount is based on its value in use and determined with the assistance of Royson Valuation Advisory Limited, an independent professional qualified valuer, who has among its staff members of Hong Kong Institute of Surveyor. The calculation used cash flow projections based on latest financial budgets approved by the management covering a period of 5 years and at a pre-tax discount rate of 29.3% (30 June 2018: 28.2%). The cash flow projections beyond the 5 years periods are extrapolated using a growth rate at 3% (30 June 2018: 3%). Cash flow projections during the budget period are based on the expected gross margins during the budget period. Budgeted gross margins and growth rate have been determined based on past performance and the Group management's expectations for the market development and future performance of the New Energy Business CGU. The discount rate is determined based on the cost of capital adjusted by the specific risk associated with the New Energy Business CGU.

As the recoverable amount of the New Energy Business CGU is nil, the Directors of the Company are in opinion that an impairment loss of HK$6,569,000 has been recognised for the six months ended 31 December 2018 (six months ended 31 December 2017: HK$124,820,000).

13. GOODWILL

	HK$'000
COST:	
At 1 July 2017 (Audited)	863,150
Disposal of subsidiaries	(761,407)
Exchange realignment	14,599
At 30 June 2018 and 1 July 2018 (Audited)	116,342
Exchange realignment	476
At 31 December 2018 (Unaudited)	116,818
ACCUMULATED IMPAIRMENT LOSSES:	
At 1 July 2017 (Audited)	749,688
Impairment loss during the year	60,345
Disposal of subsidiaries	(761,407)
Exchange realignment	11,719
At 30 June 2018 and 1 July 2018 (Audited)	60,345
Exchange realignment	247
At 31 December 2018 (Unaudited)	60,592
NET CARRYING AMOUNT:	
At 31 December 2018 (Unaudited)	**56,226**
At 30 June 2018 (Audited)	55,997

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/ AVAILABLE-FOR-SALE INVESTMENTS

	31 December 2018	30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Financial assets at fair value through other comprehensive income		
— Unlisted private funds *(note)*	**107,479**	–
Available-for-sale investments		
— Unlisted private funds *(note)*	**–**	107,356
	107,479	107,356

Note:

The fair value gain of unlisted private funds during the six months period ended 31 December 2018 was HK$2,647,000 (six months ended 31 December 2017: HK$4,127,000), which has been dealt with in other comprehensive income and fair value through other comprehensive income reserve (six months ended 31 December 2017: available-for-sale investment revaluation reserve) for the six months ended 31 December 2018. During the period, the Group disposed one of the unlisted private funds with net proceeds of HK$2,524,000.

15. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in the Group's trade receivables, other receivables, deposits and prepayments were trade receivables of HK$7,804,000 (30 June 2018: HK$3,498,000). The Group allows an average credit period of 0 to 90 days to its trade receivables.

	31 December 2018	30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**8,934**	4,624
Less: Provision for impairment loss	**(1,130)**	(1,126)
Trade receivables, net	**7,804**	3,498

The aging analysis of trade receivables, net of allowance for doubtful debts, based on invoice date, is as follows:

	31 December 2018	30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**5,558**	2,094
31–60 days	**585**	45
61–90 days	**–**	21
Over 90 days	**1,661**	1,338
	7,804	3,498

16. LOANS RECEIVABLE

	31 December 2018 HK$'000 (Unaudited)	30 June 2018 HK$'000 (Audited)
Gross loans and interest receivables	**248,953**	169,723
Less: Provision for impairment loss	**(42,311)**	(2,441)
	206,642	167,282

As at 31 December 2018, loans receivable with gross principal amount of HK$241,285,000 (30 June 2018: HK$164,122,000) in aggregate and related gross interest receivables of HK$7,668,000 (30 June 2018: HK$5,601,000) due from ten (30 June 2018: eight) independent third parties. These loans are interest-bearing at rates ranging from 7% to 20% (30 June 2018: 7% to 20%) per annum. All the loans were repayable within twelve months from the end of the reporting period and therefore were classified as current assets as at 31 December 2018 and 30 June 2018. Impairment loss of HK$29,401,000 (six months ended 31 December 2017: HK$2,441,000) has been recognised in the condensed consolidated statement of comprehensive income for the six months ended 31 December 2018.

The aging analysis loans receivable that are neither individually nor collectively considered to be impaired is as follows:

	31 December 2018 HK$'000 (Unaudited)	30 June 2018 HK$'000 (Audited)
Neither past due nor impaired	**145,142**	136,802
Past due within 1 month	**34,136**	–
1 to 3 months past due	**27,364**	–
Over 3 months past due	**–**	30,480
	206,642	167,282

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2018 HK$'000 (Unaudited)	30 June 2018 HK$'000 (Audited)
Compensation from profit guarantee *(note)*	**20,000**	30,000

Note:

COMPENSATION FROM PROFIT GUARANTEE

On 29 May 2015, the Company issued 700,000,000 consideration shares as the consideration for the acquisition of 85% issued share capital of Delta Prestige Holdings Limited and its subsidiaries (the "Delta Prestige Group").

Pursuant to the acquisition agreement, the vendor has irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of the Delta Prestige Group in accordance with Hong Kong generally accepted accounting principles for the year ending 30 June 2016 shall not be less than HK$100,000,000 (the "Profit Target"). In case the Delta Prestige Group cannot achieve the Profit Target, the vendor will compensate to the Company in cash. The compensation is calculated in accordance with the following formula:

The compensation = Profit Target – Audited net profit

If the Delta Prestige Group records an audited net loss for the year ending 30 June 2016, the audited net profit will be deemed as zero for the purpose of calculation of the compensation.

With reference to the operating result of the Electric Cycle CGU for the year ended 30 June 2016, the electric cycles business is not likely to meet the Profit Target. The fair value of compensation from profit guarantee is determined by Directors with reference to the actual financial result of the Delta Prestige Group for the year ended 30 June 2016.

On 26 September 2016, the vendor and the Company entered into a settlement deed regarding the settlement of the compensation from profit guarantee of HK$100,000,000 and the additional amount of compensation of HK$850,000. The Group had received the settlement of the compensation of profit guarantee of HK$70,000,000 and additional compensation of HK$700,000 up to 30 June 2018. On 28 September 2018, the Company and the vendor entered into a supplemental settlement deed for the remaining balances of the abovementioned settlement deed of HK$30,150,000 and additional amount of compensation of HK$500,000. The Group had received the settlement of the compensation of profit guarantee of HK$10,000,000 up to 31 December 2018.

For the six months ended 31 December 2018, no fair value change of compensation from profit guarantee (six months ended 31 December 2017: Nil) was recognised in the condensed consolidated statement of comprehensive income.

The fair value of compensation from profit guarantee is a Level 3 recurring fair value measurement.

18. TRADE PAYABLES, OTHER ADVANCES AND ACCRUALS

Included in the Group's trade payables, other advances and accruals were trade payables of HK$3,926,000 (30 June 2018: HK$1,522,000).

The aging analysis of these trade payables, based on invoice date, is as follows:

	31 December 2018	30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**3,565**	1,283
31–60 days	**10**	138
61–90 days	**–**	27
Over 90 days	**351**	74
	3,926	1,522

19. BORROWINGS

	31 December 2018 HK$'000 (Unaudited)	30 June 2018 HK$'000 (Audited)
Bank overdraft	**1,823**	1,589
Bank loan, secured	**140,331**	144,339
Carrying amount as at the end of period/year	**142,154**	145,928
Less: Current portion	**(10,904)**	(10,706)
Non-current portion	**131,250**	135,222

Based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause, borrowings are repayable as follows:

	31 December 2018 HK$'000 (Unaudited)	30 June 2018 HK$'000 (Audited)
Within one year	**10,904**	10,706
More than one year, but not exceeding two years	**8,767**	8,853
More than two years, but not more than five years	**122,483**	126,369
	142,154	145,928

Bank loans were secured by (i) corporate guarantees provided by subsidiaries within the Group as at 31 December 2018 and 30 June 2018; (ii) the pledge of Group's assets as set out in note 23 to the condensed consolidated financial statements; and (iii) the entire equity interest of Cambridge Venture Partners Kabushiki Kaisha ("CVP KK").

The abovementioned bank borrowings are charged at floating rates ranging from 0.75% to 8.34% per annum (30 June 2018: 0.75% to 8.05% per annum).

20. AMOUNT DUE TO NON-CONTROLLING INTERESTS

The amount due was unsecured, interest-free and repayable on demand.

21. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss represented contingent consideration payable in relation to the acquisition of EPS.

Based on the signed agreements and/or orders determined by the Purchaser, EPS would record a net loss after tax for the year ended 31 December 2017. Pursuant to the terms of the sale and purchase agreement (as amended and supplemented by the supplemental agreement), neither the purchaser nor the Company shall be obligated to pay the balance or the adjusted balance or any part thereof. The Directors of the Company are in opinion that gain on change in fair value of financial liabilities at fair value through profit or loss of HK$131,221,000 has been recognised for the six months ended 31 December 2017.

22. SHARE CAPITAL

	Number of shares	**Amount**
	'000	*HK$'000*
Ordinary shares of HK$0.05 each at 30 June 2018 and 31 December 2018		
Authorised:		
As at 30 June 2018 and 31 December 2018	30,000,000	1,500,000
Issued and fully paid:		
As at 30 June 2018 and 31 December 2018	15,695,532	784,776

23. PLEDGE OF ASSETS

Save as disclosed elsewhere in these unaudited condensed consolidated financial statements, the Group also had pledged the following assets to secure general banking facilities granted to the Group. The carrying amounts of these assets are analysed as follows:

	31 December 2018	30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**479,122**	479,005
Bank balances	**1,384**	3,655
	480,506	482,660

24. ASSETS AND LIABILITIES OF A DISPOSAL GROUP HELD FOR SALE

On 7 September 2017, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire equity interest of Miracle True investment Limited ("Miracle True"), a wholly-owned subsidiary of the Company, at a cash consideration of HK$11,000,000. Miracle True is the investment holding company and its subsidiary is holding a land in the PRC. On 7 February 2018, the Group entered into a supplemental agreement with the independent third party to extend the long stop date to 31 January 2019. Subsequent to the reporting date, on 31 January 2019, the Group entered into another supplemental agreement with the independent third party to further extend the long stop date to 31 July 2019. As at 31 December 2018 and 30 June 2018, the following major class of assets and liabilities relating to the group have been classified as held for sale in the condensed consolidated statement of financial position.

	31 December 2018	30 June 2018
	HK$'000	*HK$'000*
Prepaid lease payments for land	**9,781**	10,309
Bank balances and cash	**21**	32
Assets of a disposal group held for sale	**9,802**	10,341
Other payables and accruals	**369**	284
Liabilities of a disposal group held for sale	**369**	284
Exchange difference arising on translation of the financial statements of a foreign subsidiary	**841**	260

25. LEASE COMMITMENTS

The Group as lessee

As at the end of reporting period, the Group had commitment for future minimum lease payments under non-cancellable operating lease in respect of office premises and vehicles which fall due as follows:

	31 December 2018	30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**3,252**	3,641
In the second to fifth years inclusive	**3,584**	3,508
	6,836	7,149

Lease was negotiated for a term of two to five years and three months and rentals are fixed for such period. None of the leases include contingent rentals.

26. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these unaudited condensed consolidated financial statements, the following transaction was carried out with a related party in normal course of the Group's business:

	For the six months ended 31 December	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Financial advisory fee	**–**	482
Corporate service fee	**626**	79
	626	561

Corporate service fee and financial advisory fee were paid to related companies which is controlled by a Director.

Compensation of key management

The key management of the Group comprises all Directors. The short-term benefits including the share-based payments were HK$2,024,000 for the six months ended 31 December 2018 (six months ended 31 December 2017: HK$1,691,000).

27. PARTIAL DISPOSAL OF A SUBSIDIARY

On 4 April 2018, the Company entered into a sale and purchase agreement with the purchaser and Mr. Zhu Yongjun (the "Guarantor"), in which the purchaser is wholly-owned by the Guarantor, who is a director of Perfect Essential Holdings Limited, a wholly-owned subsidiary of the Company to dispose of 49% equity interest of Perfect Essential Holdings Limited and its subsidiaries (the "EPS Group") at a consideration of HK$382 and the shareholder's loans at a consideration of HK$64,484,000. The Group's effective interest in the EPS Group was changed from 100% to 51% upon the completion of the disposal in July 2018. The Group recognised an increase in the deficit of non-controlling interests of HK$62,026,000 and an increase in equity attributable to owners of the Company of HK$62,026,000.

Details of the partial disposal of subsidiary are set out in the Company's announcements dated 4 April 2018, 26 April 2018, 11 May 2018, 8 June 2018, 18 July 2018 and the Company's circular dated 25 June 2018.

Pursuant to sales and purchase agreement, the considerations should be settled by the purchaser in five installments on or before the agreed time frame. For the six months ended 31 December 2018, the considerations of the sales shares of HK$382 and the sales loans of HK$35,861,000 have been received by the Company. Remaining considerations of the sales loans of HK$28,623,000 are not yet due as at 31 December 2018 and share charges on 22% of equity interest of the EPS Group has been created by the purchaser as the security for the payment of remaining considerations. Expected credit losses of HK$286,000 has been provided on the balances of remaining considerations as at 31 December 2018.

Details of the status of the settlement of consideration are set out in the Company's announcements dated 18 October 2018, 31 October 2018, 16 January 2019 and 27 February 2019.

28. EVENTS AFTER REPORTING PERIOD

On 29 January 2019, Rich Shine Development Limited, a wholly-owned subsidiary of the Company as a purchaser, entered into a sale and purchase agreement with independent third parties, for the acquisition of a property in Hong Kong at the total consideration of HK$80,000,000 (the "Acquisition"). Completion of the Acquisition shall take place on or before 8 March 2019. Details of the Acquisition are set out in the Company's announcement dated 29 January 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS AND BUSINESS REVIEW

The Group is currently engaged in five business segments, (i) hotel hospitality business; (ii) provision of money lending services; (iii) new energy business; (iv) trading and distribution of liquor and wine; and (v) investments in funds. For the six months ended 31 December 2018, the Group recorded a turnover of approximately HK$31.3 million (six months ended 31 December 2017: approximately HK$26.8 million). Loss for the period attributable to owners of the Company was approximately HK$53.9 million (six months ended 31 December 2017: approximately HK$65.5 million). Basic loss per share was approximately 0.34 HK cents (six months ended 31 December 2017: approximately 1.25 HK cents). The net loss was mainly attributable from the recognition of expected credit losses/impairment loss on loans receivable which partly offset with the absence of impairment loss on goodwill and change in fair value of financial liabilities at fair value through profit or loss for the six months ended 31 December 2018 as compared to that for the corresponding period of 2017.

Hotel Hospitality Business

The turnover for the six months ended 31 December 2018 of the hotel hospitality business was approximately HK$15.0 million (six months ended 31 December 2017: approximately HK$16.2 million) and a segment loss of approximately HK$4.6 million was recorded for the six months ended 31 December 2018 (six months ended 31 December 2017: approximately HK$3.6 million).

Hotel hospitality business is one of the core businesses of the Group which contributed approximately 48.0% of the Group's revenue for the six months ended 31 December 2018. The hotel, One Niseko Resort Towers (the "Resort Towers"), is located in the famous Japanese skiing destination of Niseko, Hokkaido, Japan. Niseko is one of the famous ski resort areas in Japan and is well known for its heavy light powder snow and spectacular backcountry. The Resort Towers consists of 110 units of high-end accommodation and has an onsen with an indoor and outdoor bath. It attracts many tourists from world-wide for skiing in the winter time.

Although the natural hazard happened in the second half of 2018 has affected the tourism in Hokkaido, the Directors, in view of the large potential growth in tourism in Japan driven by the Tokyo Olympics 2020, are optimistic about the prospects and the potential momentum of the hotel and resort industry in Japan which will generate satisfactory income to the Group in the future.

Money Lending Services

As at 31 December 2018, the Group had loans receivable with gross principal amount of approximately HK$241.3 million (30 June 2018: approximately HK$164.1 million). The Group recorded interest income from loans receivable of approximately HK$11.6 million for the six months ended 31 December 2018 (six months ended 31 December 2017: approximately HK$5.2 million).

The loan portfolio comprises loans to independent third party borrowers with term ranging from one month to twelve months and interest rate from 7% to 20% per annum.

The money lending business has been providing the Company with stable income as compared to other business segments. The Company intends to invest more resources in this segment to expand the scale of the money lending business.

New Energy Business

EPS is the Group's operating subsidiary for the new energy business. EPS is principally engaged in the development, manufacturing and distribution of a fuel additive product, namely EuroAd which can reduce fuel consumption and environmental impact. EuroAd is a totally biodegradable fuel additive that acts as a catalyst to achieve fuel efficiency and cost savings.

The turnover of the new energy business for the six months ended 31 December 2018 was approximately HK$4.1 million (six months ended 31 December 2017: approximately HK$4.2 million) and a segment loss of approximately HK$17.4 million was recorded for the six months ended 31 December 2018 (six months ended 31 December 2017: approximately HK$91.6 million). The decrease in segment loss was mainly attributable to the decrease in impairment loss of the goodwill and intangible assets.

During the period under review, the Group has devoted more resources in expanding the sales of EuroAd in the PRC market, such as developed the wholesale and retail business through online and offline distribution channels. The Group has entered certain sales contracts and/or strategic cooperation agreements with potential customers.

On 4 April 2018, the Company as vendor, Excellent Point Asia Limited as purchaser and Mr. Zhu Yongjun as guarantor entered into a sale and purchase agreement (the "SPA"), pursuant to which the Company conditionally agreed to sell and the purchaser conditionally agreed to purchase the 49 issued shares of Perfect Essential Holdings Limited (the "Target Company", together with its subsidiaries, the "Target Group"), representing 49% of the issued share capital of the Target Company.

Pursuant to the SPA, the purchaser and the vendor shall enter into the option deed in respect of the grant of the call option upon the first completion, pursuant to which the vendor shall grant the purchaser the right to acquire all but not part of the option shares, representing 51% of the issued share capital of the Target Company within six months from the first completion date. On 16 January 2019, the Company received a written notice from the purchaser that the purchaser has waived the right to exercise the call option.

The first and second completions took place on 18 July 2018 and 31 October 2018 respectively in accordance with the terms and conditions of the SPA. Immediately upon the first completion, the Company held 51% equity interest of the Target Company and the Target Group became non wholly-owned subsidiaries of the Company.

On 16 January 2019, the Company received a written request from the purchaser for an extension of the third completion date to not later than 17 April 2019 (the "Extension") and the purchaser undertakes to pay an extension interest on the third tranche payment at the rate of 12% per annum for the 3-month Extension period. Having considered that (i) the Extension period is not material; and (ii) the Company would receive an additional sum as the extension interest, the Company agreed with the Extension. On 27 February 2019, the Company, the purchaser and the guarantor entered into an extension letter to extend the third completion date to not later than 17 April 2019 (or such other date as the Company, the purchaser and the guarantor may agree in writing) (the "Extended Third Completion Date"), and the purchaser undertakes to pay to the Company the third tranche payment together with interest accrued on the third tranche payment at the rate of 12% per annum on or before the Extended Third Completion Date.

In the course of preparing the financial statements, the management had duly engaged an independent qualified valuer (the "1st Valuer") to determine the recoverable amount of the cash generating unit as at 31 December 2018 of the new energy business. In view of the materiality of the carrying amount of intangible assets and goodwill of the new energy business and for the sake of prudence, the Company engaged another independent qualified valuer to conduct an independent review of the valuation report issued by the 1st Valuer on the valuation methodology, assessment of the discount rate and any other key variables used in the valuation and the internal consistency of the valuation model used by the 1st Valuer for accounting reference purpose.

In assessing the recoverable amount of the cash generating unit of the new energy business as at 31 December 2018, value-in-use calculation has been adopted that the estimated future cash flows were discounted to their present value using a pre-tax discount rate that reflected current market assessment of time value of money and the risk specific to the new energy business. The calculation used in cash flow projections was based on latest financial budgets covering a period of 5 years and at a pre-tax discount rate of 29.3% which was determined with reference to the market conditions, such as company specific risk premium and cost of debt of the new energy business. The cash flow projections beyond the 5-year period are extrapolated using a perpetual growth rate of 3%. The management of new energy business reviewed the assumptions taking into account of (i) the general economic environment; (ii) industry dynamics; (iii) past performance; and (iv) on-going business development of the new energy business in preparing the cash flow projections.

Liquor and Wine Business

The turnover for the six months ended 31 December 2018 of the liquor and wine business was approximately HK$0.5 million (six months ended 31 December 2017: approximately HK$1.2 million) and a segment loss of approximately HK$1.6 million was recorded for the six months ended 31 December 2018 (six months ended 31 December 2017: approximately HK$7.4 million).

The Group will continue to explore more sales opportunities with an aim to improve the revenue stream of the liquor and wine business.

Funds Investments

As at 31 December 2018 and 30 June 2018, the Group had fund portfolio of approximately HK$107.5 million (30 June 2018: approximately HK$107.4 million).

Electric Cycles Business

Turnover and segment results of the electric cycles business for the six months ended 31 December 2018 and 2017 were nil.

In view of the continuous loss-making records of the manufacturing and trading of electric cycles business, on 6 April 2018, the Company as vendor entered into a share transfer agreement with an independent third party as purchaser, pursuant to which the Company conditionally agreed to sell, and the purchaser conditionally agreed to acquire, the entire equity interest of wholly-owned subsidiaries of the Company which engaged in the manufacturing and trading of electric cycles. Upon completion of the disposal, the Group has discontinued the business of manufacturing and trading of electric cycles. The Directors are of the view that the disposal can reduce financial burden on the Group and allow the Group to focus its resources on the remaining business segments of the Group.

On 26 September 2016, the vendor and the Company entered into a settlement deed regarding the settlement of the compensation from profit guarantee of HK$100,000,000 and the additional amount of compensation of HK$850,000. The Group had received the settlement of the compensation of profit guarantee of HK$70,000,000 and additional compensation of HK$700,000 up to 30 June 2018. On 28 September 2018, the Company and the vendor entered into a supplemental settlement deed for the remaining balances of the abovementioned settlement deed of HK$30,150,000 and additional amount of compensation of HK$500,000. The Group had received the settlement of the compensation of profit guarantee of HK$10,000,000 up to 31 December 2018.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 31 December 2018 (six months ended 31 December 2017: Nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2018, the Group recorded cash and bank balances amounting to approximately HK$373.9 million (30 June 2018: approximately HK$425.3 million) and the net current assets value was approximately HK$631.2 million (30 June 2018: approximately HK$685.7 million).

The Group's gearing ratio as at 31 December 2018 was approximately 0.13 (30 June 2018: approximately 0.13), being a ratio of total debts, including corporate bonds and borrowings of approximately HK$142.2 million (30 June 2018: approximately HK$145.9 million) to the total equity of approximately HK$1,076.0 million (30 June 2018: approximately HK$1,139.1 million).

USE OF PROCEEDS FROM RIGHTS ISSUE

The Company completed a rights issue on 13 June 2018, pursuant to which the Company has issued 10,463,687,800 ordinary shares of the Company of HK$0.05 each as rights shares at HK$0.052 per rights share on the basis of two rights shares for every one existing share held on 18 May 2018. The net proceeds from the rights issue (after deducting the expenses) were approximately HK$523.6 million. The net subscription price per rights share after deducting the related expenses of the rights issue was approximately HK$0.050. The Company intended to apply net proceeds of approximately HK$523.6 million from the rights issue as to (i) approximately HK$196.0 million for the contribution to the facility to be made available to a joint venture company formed with Zhongke International Capital Limited (the "JV Company"); (ii) approximately HK$193.9 million for repayment of the outstanding borrowings; (iii) approximately HK$100.0 million for expansion of the Group's money lending business; and (iv) the remaining balance for general working capital of the Group.

In view of the reasonable interest income generated from the loans receivable, the Group reallocated HK$11.35 million from the portion intended to be used as general working capital to expand the money lending business in August 2018. Details of the change in use of proceeds are set out in the announcement of the Company dated 10 August 2018.

As at 31 December 2018, the Group utilised the net proceeds from the rights issue as to (i) approximately HK$56.0 million for repayment of the outstanding borrowings; (ii) approximately HK$111.35 million for expansion of the Group's money lending business by granting of loans to independent third parties and (iii) approximately HK$26.66 million for general working capital of the Group. The unutilised net proceeds have been placed as the interest bearing deposits with licensed banks in Hong Kong.

In view of the termination of the amended and restated joint venture agreement with Zhongke International Capital Limited (the "Amended and Restated JV Agreement"), on 17 January 2019, the Group further reallocated the net proceeds in the amount of approximately HK$196.0 million which was originally planned for the contribution to the facility to be made available to the JV Company to fund other future investment opportunities (which may include acquisition of office premises for the Group's own use or rental purposes), and/or expansion of the Group's money lending business and/or general working capital of the Group. Details of the change in use of proceeds are set out in the announcement of the Company dated 17 January 2019.

The Group plans to utilise the remaining proceeds from the rights issue to repay the remaining outstanding borrowings.

PLEDGE OF ASSETS

As at 31 December 2018, the Group pledged hotel land and building in Japan with an aggregated carrying value of approximately HK$479.1 million (30 June 2018: approximately HK$479.0 million), bank deposit of approximately HK$1.4 million (30 June 2018: approximately HK$3.7 million) and the entire equity interest of CVP KK, a wholly-owned subsidiary of the Company, to secure banking facilities of the Group.

CAPITAL STRUCTURE

During the six months ended 31 December 2018, 314,855,198 share options lapsed.

Save as disclosed above, the Company had no other changes in capital structure during the six months ended 31 December 2018.

INVESTMENT POSITION AND PLANNING

Financial Assets at Fair Value through other Comprehensive Income/Available-For-Sale Investments

As at 31 December 2018, the Group had invested in two (30 June 2018: three) unlisted private funds with aggregated carrying amount of approximately HK$107.5 million (30 June 2018: approximately HK$107.4 million). The purpose of the fund portfolio is to carry on the business of investing, holding, monitoring and realizing (i) the private debt investments, including but not limited to bonds, notes and debentures; (ii) the equity investments and/or debt instruments from the financial services, natural resources and/or property investment sectors; and (iii) the investment in securities and instruments issued in, or related to the markets in China, Hong Kong, Taiwan, South Korea and ASEAN member countries respectively. The value of fund portfolio was based on fair value.

Settlement Deed and Supplemental Settlement Deed in relation to the Profit Guarantee Compensation

With reference to the Company's announcements dated 26 April 2015 and 29 May 2015 in relation to the acquisition of the electric cycles business, Mr. Lee Man Bun ("Mr. Lee") as the vendor irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of the electric cycles business for the year ended 30 June 2016 shall not be less than HK$100,000,000 (the "Guaranteed Net Profit").

In the event that the electric cycles business cannot achieve the Guaranteed Net Profit, Mr. Lee has irrevocably undertaken to the Company to pay to the Company in cash within 10 business days from the date of receipt of the certificate from the auditors of the Company an amount equal to the shortfall (the "Profit Guarantee Compensation").

In view of the loss recorded for the year ended 30 June 2016 of the electric cycles business, Mr. Lee had been requested to settle the Profit Guarantee Compensation of HK$100,000,000. After arm's length negotiations, on 26 September 2016, Mr. Lee and the Company entered into a settlement deed regarding the settlement of the Profit Guarantee Compensation of HK$100,000,000 and the additional amount of compensation of HK$850,000, in which HK$70,700,000 was settled by Mr. Lee on 27 September 2016 and 21 September 2017. Pursuant to the supplemental settlement deed entered into between Mr. Lee and the Company on 28 September 2018, Mr. Lee shall pay HK$30,650,000 (being the sum of the outstanding settlement payment of HK$30,150,000 and the additional amount of compensation of HK$500,000) to the Company in the following manner: (a) HK$10,000,000 shall be paid to the Company on the date of the supplemental settlement deed; and (b) HK$20,650,000 shall be paid to the Company on or before 31 March 2019. The amount of HK$10,000,000 was received by the Company pursuant to the terms of the supplemental settlement deed.

Disposal of a Land in the PRC

On 7 September 2017, Advanced System Group Limited, an indirectly wholly-owned subsidiary of the Company, as vendor entered into a sales and purchase agreement (the "PRC Land Disposal Agreement") with an independent third party as purchaser. Pursuant to the PRC Land Disposal Agreement, the purchaser agreed to acquire and the vendor agreed to sell the entire issued share capital of Miracle True Investment Limited and its subsidiary in the PRC, which holds a land in Huizhou City, Guangdong Province, the PRC, and the shareholder's loan in cash at a consideration of HK$11,000,000, in which HK$550,000 had been received on 7 September 2017 and the remaining balance of HK$10,500,000 will be payable by the purchaser within six months from the date of the PRC Land Disposal Agreement. On 7 February 2018 and 31 January 2019, the vendor and the purchaser confirmed their mutual agreement to extend the long stop date to 31 January 2019 and 31 July 2019 respectively or such other date as the vendor and the purchaser may agree in writing.

The disposal was classified as a non-disclosable transaction under Chapter 14 of the Listing Rules.

Disposal of 49% Equity Interest in Perfect Essential Holdings Limited

On 4 April 2018, the Company as vendor, Excellent Point Asia Limited as purchaser and Mr. Zhu Yongjun as guarantor entered into the SPA, pursuant to which the Company conditionally agreed to sell and the purchaser conditionally agreed to purchase the 49 issued shares of US$1.00 each in the share capital of Perfect Essential Holdings Limited, representing 49% of the issued share capital of the Target Company, and the sale loans to be assigned by the vendor to the purchaser, subject to the terms and conditions of the SPA at a total consideration of HK$64,484,382.2.

Pursuant to the SPA, the purchaser and the vendor shall enter into the option deed in respect of the grant of the call option upon the first completion, pursuant to which the vendor shall grant the purchaser the right to acquire all but not part of the option shares, representing 51% of the issued share capital of the Target Company, and the option loan, within six months from the first completion date.

The first and second completion took place on 18 July 2018 and 31 October 2018 respectively in accordance with the terms and conditions of the SPA. Immediately upon the first completion, the Company held 51% equity interest of the Target Company and the Target Group became non-wholly-owned subsidiaries of the Company.

On 16 January 2019, the Company received a written request from the purchaser for the Extension and the purchaser undertakes to pay an extension interest on the third tranche payment at the rate of 12% per annum for the 3-month Extension period. Having considered that (i) the Extension period is not material; and (ii) the Company would receive an additional sum as the extension interest, the Company agreed with the Extension. On 27 February 2019, the Company, the purchaser and the guarantor entered into an extension letter to extend the third completion date to the Extended Third Completion Date, and the purchaser undertakes to pay to the Company the third tranche payment together with interest accrued on the third tranche payment at the rate of 12% per annum on or before the Extended Third Completion Date.

In addition, on 16 January 2019, the Company received a written notice from the purchaser that the purchaser has waived the right to exercise the call option. As such, the call option will not be exercised by the purchaser.

Details of the transaction are set out in the Company's announcements dated 4 April 2018, 26 April 2018, 11 May 2018, 8 June 2018, 16 July 2018, 18 July 2018, 18 October 2018, 31 October 2018, 16 January 2019 and 27 February 2019; and the Company's circular dated 25 June 2018.

Lapse of Memorandum of Understanding in relation to the Proposed Investment in the Business of Production of Building and Construction Materials Made by Recycled Materials

On 17 September 2018, the Company entered into a non-legally binding memorandum of understanding with CMAT Holdings Limited ("CMAT") in relation to the proposed investment by the Company in a business of production of building and construction materials made by recycled materials. As the memorandum of understanding expired on 16 December 2018 and the Company and CMAT had not agreed to extend the term for a further period, the memorandum of understanding therefore lapsed and ceased to have any effect on 16 December 2018.

Details of the transaction are set out in the Company's announcements dated 17 September 2018 and 17 December 2018.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no significant contingent liabilities (30 June 2018: Nil).

CAPITAL COMMITMENTS

As at 31 December 2018, the Group had no significant capital commitments (30 June 2018: Nil).

FOREIGN EXCHANGE EXPOSURE

Most of the Group's assets and liabilities are denominated in Hong Kong dollars, Renminbi, Swedish Krona and Japanese Yen, which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the foreign exchange risk.

EVENTS AFTER REPORTING PERIOD

Deferral of Third Completion in relation to the Disposal of 49% Equity Interest in Perfect Essential Holdings Limited and Cessation of the Option Deed

On 16 January 2019, the Company received a written request from the purchaser for the Extension and the purchaser undertakes to pay an extension interest on the third tranche payment at the rate of 12% per annum for the 3-month Extension period. Having considered that (i) the Extension period is not material; and (ii) the Company would receive an additional sum as the extension interest, the Company agreed with the Extension. On 27 February 2019, the Company, the purchaser and the guarantor entered into an extension letter to extend the third completion date to the Extended Third Completion Date, and the purchaser undertakes to pay to the Company the third tranche payment together with interest accrued on the third tranche payment at the rate of 12% per annum on or before the Extended Third Completion Date.

In addition, on 16 January 2019, the Company received a written notice from the purchaser that the purchaser has waived the right to exercise the call option. As such, the call option will not be exercised by the purchaser of the transaction.

Details of the transaction are set out in the Company's announcements dated 16 January 2019 and 27 February 2019.

Termination of the Amended and Restated JV Agreement

On 17 January 2019, Rich Express Limited, a wholly-owned subsidiary of the Company and Zhongke International Capital Limited entered into a deed of termination to terminate the Amended and Restated JV Agreement.

Details of the transaction are set out in the Company's announcement dated 17 January 2019.

Acquisition of Property

On 29 January 2019, Rich Shine Development Limited, a wholly-owned subsidiary of the Company, as purchaser entered into a sale and purchase agreement with Tang Nanjun and Tang Yilin as vendors pursuant to which the purchaser agreed to acquire and the vendors agreed to sell a property in Hong Kong at a consideration of HK$80,000,000. Completion of the Acquisition shall take place on or before 8 March 2019.

Details of the Acquisition are set out in the Company's announcement dated 29 January 2019.

PROSPECTS

Hotel Hospitality Business

The next Olympic Games will be held in Tokyo, Japan in 2020, and the Japanese government has been actively prepared for the increase number of foreign tourists such as the enactment of the Integrated Resort Laws and expansion of the Shinkansen line. It is expected that this internationally popular sports event together with the new measures of the government will attract 40 million arrivals not only to Tokyo but also to regional areas in Japan. Driven by the government's implementation and Niseko itself as a popular skiing and family holiday destination, tourism development is expected to boom. In recent years, Niseko has become a year round resort destination experiencing rapid growth in foreign visitors and investments especially from Greater China Region and South East Asia.

Japan was assigned to be the next host country for the 2019 G-20 Summit. In addition to the leaders' summit, separate G-20 ministerial meetings are planned. Kutchan, a tourist hot spot and transport hub located just 15 minutes-drive away from Niseko, will be the host town for the tourist ministers' meeting. The Board believes that the meeting in Kutchan will bring the attention from all over the world to the area as delegation members, international journalist and non-governmental organization representatives are expected for the meeting, which will boost the revenue of the hospitality business.

In view of the above, the Group foresees large potential for growth in the number of overseas tourists and spendings in the resort areas in Niseko in the coming two years. The Directors are of the view that the Resort Towers will provide a steady income stream and generate satisfactory income to the Group.

Provision of Money Lending Services

The Group will continue to closely monitor the money lending services in order to provide a secured contribution to the Group's revenue and, on the other hand, seize other growth opportunities to enhance competitiveness to strive for the best return to the shareholders of the Company.

New Energy Business

The Group is readjusting its major market focus to China and central Asia. The Group has been in negotiation with several transportation, shipping and logistics companies for long term bulk usage of EuroAd in their fleets. Product testing have been completed with some of the potential customers and the results were positive. Furthermore, the Group plans to expand its sales of EuroAd products through online channels. Sales performance is expected to be improved. The Group planned to devote more resources to expand its market shares in China and central Asia markets whilst withdraw the market development of other countries.

Apart from expanding customer portfolio and sales channels to improve the revenue, the Group will closely control the costs, hoping to make an improvement in the performance of the new energy business.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 92 (30 June 2018: 80) employees in Hong Kong, the PRC, Japan and Sweden. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes, mandatory provident fund scheme for Hong Kong employees, and state-sponsored retirement plans for the PRC employees and share option scheme.

CONNECTED TRANSACTIONS

Save as disclosed, the Company did not have any connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules for the six months ended 31 December 2018.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 December 2018.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2018, the Company complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules except for the following:

Code provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The existing non-executive Director and independent non-executive Directors were not appointed for a specific term as required under the code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the reporting period.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "Audit Committee") currently comprises of Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, all of whom are independent non-executive Directors. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 31 December 2018.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.detai-group.com. The interim report of the Company will be despatched to the shareholders of the Company and make available on the above websites in due course.

By order of the Board
DeTai New Energy Group Limited
Wong Hin Shek
Chairman and Executive Director

Hong Kong, 28 February 2019

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek, Mr. Chi Chi Hung, Kenneth, Mr. Chan Wai Ki and Mr. He Mingshou; the non-executive Director is Mr. Chui Kwong Kau; and the independent non-executive Directors are Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.