Enerchina Holdings Limited**

威 華 達 控 股 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 622)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The board of directors (the "Board") of Enerchina Holdings Limited (the "Company") announces the audited consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2018 as follows:

* *For identification purpose only*

** *To be re-named as Oshidori International Holdings Limited, subject to Shareholders' approval at the Company's special general meeting on 22 March 2019*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	**2018**	2017
		HK$'000	*HK$'000*
			(Represented)
Revenue	*3*	**(94,493)**	55,472
Other income	*4*	**75,714**	49,614
Other gains and losses	*5*	**5,420**	143,477
Net unrealised fair value gain on financial assets at fair value through profit or loss ("FVPL")	*7*	**183,199**	399,605
Impairment losses in respect of available-for-sale investments		**–**	(130,012)
Depreciation of property and equipment		**(20,821)**	(25,587)
Employee benefits expenses	*7*	**(25,035)**	(92,426)
Other expenses		**(89,031)**	(144,731)
Share of results of associates	*12*	**(1,812)**	41,531
Loss on early settlement of promissory notes		**–**	(153,622)
Finance costs	*6*	**(54,382)**	(57,013)
(Loss) Profit before taxation	*7*	**(21,241)**	86,308
Income tax credit (expense)	*8*	**19,865**	(65,019)
(Loss) Profit for the year		**(1,376)**	21,289
Other comprehensive (loss) income:			
Items that will not be reclassified to profit or loss			
Fair value change on financial assets designated at fair value through other comprehensive income ("Designated FVOCI")	*11*	**(1,073,983)**	–
Items that are reclassified or may be reclassified subsequently to profit or loss			
Exchange differences arising on translation to presentation currency		**(48,644)**	65,220
Fair value change on available-for-sale investments reclassified to profit or loss upon disposal		**–**	55,082
Fair value change on available-for-sale investments		**–**	(62,553)
		(48,644)	57,749
Total other comprehensive (loss) income for the year		**(1,122,627)**	57,749
Total comprehensive (loss) income for the year		**(1,124,003)**	79,038

	Note	2018 *HK$'000*	2017 *HK$'000* *(Represented)*
(Loss) Profit for the year attributable to:			
Owners of the Company		**21,035**	57,464
Non-controlling interests		**(22,411)**	(36,175)
		(1,376)	21,289
Total comprehensive (loss) income attributable to:			
Owners of the Company		**(1,047,261)**	113,021
Non-controlling interests		**(76,742)**	(33,983)
		(1,124,003)	79,038
		HK cents	*HK cents*
Earnings per share	*10*		
Basic		**0.50**	2.41
Diluted		**0.50**	2.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	Note	**2018**	2017
		HK$'000	*HK$'000*
Non-current assets			
Property and equipment		**78,641**	137,342
Designated FVOCI	*11*	**1,953,087**	–
Available-for-sale investments	*11*	**–**	2,372,424
Interests in associates	*12*	**5,207**	578,255
Intangible assets		**3,908**	3,908
Other investment	*13*	**–**	179,426
Held-to-maturity investments		**–**	29,290
Other deposits		**4,316**	520
Loan receivables	*14*	**22,098**	28,841
Deposit paid for acquisition of property and equipment		**140,000**	77,014
		2,207,257	3,407,020
Current assets			
Trade, loan and other receivables	*14*	**709,262**	446,098
Income tax recoverable		**2,757**	–
Promissory note receivable	*12*	**192,229**	–
Financial assets at FVPL	*15*	**2,585,350**	2,790,718
Other investment	*13*	**171,233**	–
Structured deposits		**–**	265,550
Bank balances – trust and segregated accounts		**10,297**	8,801
Cash and cash equivalents		**1,390,337**	850,229
		5,061,465	4,361,396
Current liabilities			
Trade and other payables	*16*	**510,260**	292,039
Income tax payable		**1,017**	110,820
Loan payables		**–**	895,000
Promissory note payable	*17*	**193,770**	–
		705,047	1,297,859
Net current assets		**4,356,418**	3,063,537

	2018	2017
	HK$'000	*HK$'000*
Total assets less current liabilities	**6,563,675**	6,470,557
Non-current liabilities		
Deferred taxation	**64,257**	131,193
	64,257	131,193
NET ASSETS	**6,499,418**	6,339,364
Capital and reserves		
Share capital	**290,588**	145,294
Reserves	**6,123,427**	5,937,049
Equity attributable to owners of the Company	**6,414,015**	6,082,343
Non-controlling interests	**85,403**	257,021
TOTAL EQUITY	**6,499,418**	6,339,364

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL

The Company is a public limited company incorporated in Bermuda as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Group principally engages in investment holdings, trading and investment in securities, and the provisions of (i) securities brokerage services, (ii) placing and underwriting services, (iii) corporate finance advisory services, (iv) money lending services, (v) investment advisory and asset management services, and (vi) margin financing services.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

Annual Improvements 2014-2016 Cycle

HKFRS 1: Deletion of short-term exemptions for first-time adopters

The amendments delete the paragraphs of certain short-term exemptions and related effective dates which provided reliefs that are no longer applicable. The reliefs had been available to entities only for reporting periods that had passed.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HKAS 28: Measuring an associate or joint venture or its subsidiaries at fair value

The amendments clarify that the election to measure associates or joint ventures at fair value or retain the fair value measurement applied by investment entity, associates or joint ventures can be made separately for each associate or joint venture at the relevant date.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HK(IFRIC)-Int 22: Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognised the non-monetary asset or non-monetary liability arising from the advance consideration.

The adoption of the Interpretation does not have any significant impact on the consolidated financial statements.

HKFRS 9: Financial Instruments

The following terms are used in these consolidated financial statements:

- FVPL: fair value through profit or loss.
- FVOCI: fair value through other comprehensive income.
- Designated FVOCI: equity instruments measured at FVOCI.
- Mandatory FVOCI: debt instruments measured at FVOCI.

HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment for financial assets and hedge accounting.

In accordance with the transitional provisions in HKFRS 9, comparative information has not been restated and the Group has applied HKFRS 9 retrospectively to financial instruments that existed at 1 January 2018 (i.e. the date of initial application), except as described below:

(a) The following assessments are made on the basis of facts and circumstances that existed at the date of initial application:

   (i) the determination of the business model within which a financial asset is held;

   (ii) the designation of financial assets or financial liabilities at FVPL or, in case of financial assets, at Designated FVOCI; and

   (iii) the de-designation of financial assets or financial liabilities at FVPL.

   The above resulting classification shall be applied retrospectively.

(b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime expected credit losses at each reporting date until the financial instrument is derecognised unless that financial instrument has low credit risk at a reporting date.

(c) For investments in equity instruments that were measured at cost under HKAS 39, the instruments are measured at fair value at the date of initial application.

Differences between the previous carrying amounts under HKAS 39 and the current carrying amounts upon adoption of HKFRS 9 are recognised directly in components of equity at 1 January 2018 as summarised below:

	Investment revaluation reserve (recycling)	**Investment revaluation reserve (non-recycling)**	**Non-controlling interest**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2018				
Reclassification	66,355	(66,355)	–	–
Fair value gain upon initial application of HKFRS 9	–	264,126	39,409	303,535
Increase	66,355	197,771	39,409	303,535

Classification and measurement of financial assets and financial liabilities
The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Group's financial liabilities.

The following table reconciles the original measurement categories and carrying amounts under HKAS 39 to the new measurement categories and carrying amounts under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

As at 1 January 2018

Measurement category under HKAS 39	Carrying amount under HKAS 39	Re-measurement on transition to HKFRS 9	Measurement category and carrying amount under HKFRS 9		
			Amortised cost	Designated FVOCI	FVPL
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale financial assets *(note i)*					
Listed equity securities not held for trading, at fair value	1,498,610	–	–	1,498,610	–
Unlisted equity security not held for trading, at fair value	100,000	–	–	100,000	–
Unlisted equity securities not held for trading, at cost	773,814	303,535	–	1,077,349	–
Loans and receivables *(note ii)*					
Other investment	179,426	–	179,426	–	–
Trade, loan and other receivables	474,869	–	474,869	–	–
Structured deposits	265,550	–	265,550	–	–
Bank balances- trust and segregated accounts	8,801	–	8,801	–	–
Cash and cash equivalents	850,229	–	850,229	–	–
Financial assets at FVPL *(note iii)*					
Listed equity securities held for trading	2,630,254	–	–	–	2,630,254
Unlisted investment funds held for trading	160,464	–	–	–	160,464
Held-to-maturity investments					
Listed secured senior notes *(note iv)*	29,290	–	29,290	–	–
	6,971,307	303,535	1,808,165	2,675,959	2,790,718

Notes:

(i) The listed and unlisted equity securities that were previously classified as available-for-sale financial assets amounted to HK$2,372,424,000 are now classified as Designated FVOCI since, at the date of initial application, these investments are neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies and are designated as Designated FVOCI.

Related fair value loss of HK$71,733,000 (of which HK$5,378,000 was attributable to non-controlling interests) as at 1 January 2018 were transferred from investment revaluation reserve (recycling) to investment revaluation reserve (non-recycling) on 1 January 2018.

Besides, the unlisted investments of HK$773,814,000 were previously accounted at cost under HKAS 39. The difference (HK$303,535,000 of which HK$39,409,000 was attributable to non-controlling interests) between the previous carrying amount and the fair value of HK$1,077,349,000 as at 1 January 2018 was recognised in investment revaluation reserve (non-recycling) at that date.

(ii) These items continue to be measured at amortised cost because, at the date of initial application, the Group's business model is to hold these investments to collect the contractual cash flows and the cash flows represent solely payments of principal and interest on the principal amount outstanding.

(iii) The listed equity securities and unlisted investment funds that were previously classified as financial assets at FVPL amounted to HK$2,630,254,000 and HK$160,464,000 respectively continue to be classified as financial assets at FVPL because, at the date of initial application, the Group's business model is to hold these investments for sale.

(iv) The listed secured senior notes that were previously classified as held-to-maturity investments amounted to HK$29,290,000 are now classified as financial assets at amortised cost because, at the date of initial application, the Group's business model is to hold these investments to collect the contractual cash flows and the cash flows represent solely payments of principal and interest on the principal amount outstanding.

Expected credit loss ("ECL")

The ECL model under HKFRS 9 requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Impairment based on ECL model on these financial assets upon the adoption of HKFRS 9 has no significant financial impact to the consolidated financial statements.

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 replaces, among others, HKAS 18 and HKAS 11 which specified the revenue recognition arising from sale of goods and rendering of services and the accounting for construction contracts respectively. The Standard establishes a comprehensive framework for revenue recognition and certain costs from contracts with customers within its scope. It also introduces a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has elected to apply the cumulative effect transition method and recognised the cumulative effect of initial adoption as an adjustment to the opening balance of components of equity at 1 January 2018 (i.e. the date of initial application), if any. Therefore, the comparative information has not been restated for the effect of HKFRS 15.

In addition, the Group has applied HKFRS 15 retrospectively only to contracts that were not completed, if any, at 1 January 2018 in accordance with the transitional provisions therein.

The adoption of HKFRS 15 has no significant effect on the recognition and measurement of the Group's revenue.

Change in presentation

The management considers it to be more appropriate to present all income from securities trading and investments, including interest and dividend income from investment and realised gain/loss from sales of investments, under revenue in the consolidated statement of profit or loss and other comprehensive income. Comparatives for the year ended 31 December 2017 have been represented as follows.

	2018	2017		
		As previously reported	Effect of reclassification	As represented
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**(94,493)**	85,560	(30,088)	55,472
Other income	**75,714**	259,356	(209,742)	49,614
Gain on financial assets at FVPL	**–**	159,775	(159,775)	–
Net unrealised fair value gain on financial assets at FVPL	**183,199**	–	399,605	399,605

3. REVENUE AND SEGMENT INFORMATION

(A) Revenue

	2018	2017
	HK$'000	*HK$'000*
		(Represented)
Fee and commission income	**2,541**	10,895
Advisory and other fee income	**330**	1,560
Net loss on sales of financial assets at FVPL *(Note a)*	**(301,237)**	(239,830)
Interest income from:		
– margin clients	**16,408**	22,460
– loan receivables	**22,372**	50,645
– listed bonds at FVPL	**3,608**	4,000
– financial assets at amortised cost/held-to-maturity investments	**271**	1,091
	42,659	78,196
Dividend income from		
– financial assets at FVPL	**95,498**	16,012
– Designated FVOCI held at the reporting date	**55,109**	–
– Designated FVOCI derecognised during the reporting period	**10,607**	–
– available-for-sale investments	**–**	188,639
	161,214	204,651
	(94,493)	55,472

Note:

(a) The amount represented the proceeds from the sale of financial assets at FVPL of HK$1,372,636,000 (2017: HK$1,579,214,000) less relevant costs and carrying value of the investments sold of HK$1,673,873,000 (2017: HK$1,819,044,000).

(b) In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

Year ended 31 December 2018

	Financial services *(Defined in note B below)* ***HK$'000***
Timing of revenue recognition:	
Fee and commission income	
– at a point in time	2,541
Advisory and other fee income	
– over time	330
Total revenue from contracts with customers within HKFRS15	**2,871**

(B) Segment information

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

The Group's reportable and operating segments are as follows:

(a) the provision of securities brokerage and provision of financial, consultancy and corporate financial advisory services ("financial services");

(b) securities trading and investments; and

(c) money lending.

Segment revenue and results

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

For the year ended 31 December 2018

	Financial services *HK$'000*	Securities trading and investments *HK$'000*	Money lending *HK$'000*	Consolidated *HK$'000*
Revenue				
Revenue from financial services	**19,279**	**–**	**–**	**19,279**
Revenue from securities trading and investments	**–**	**(136,144)**	**–**	**(136,144)**
Revenue from money lending	**–**	**–**	**22,372**	**22,372**
Total revenue	**19,279**	**(136,144)**	**22,372**	**(94,493)**
Net unrealised fair value gain on financial assets at FVPL	**–**	**183,199**	**–**	**183,199**
Segment revenue	**19,279**	**47,055**	**22,372**	**88,706**
Segment loss	**(14,042)**	**(20,932)**	**(10,379)**	**(45,353)**
Unallocated other income				**61,296**
Net exchange loss				**(29,834)**
Other gains and losses				**44,259**
Share of results of associates				**(1,812)**
Unallocated finance costs				**(12,292)**
Central corporate expenses				**(37,505)**
Loss before taxation				**(21,241)**

For the year ended 31 December 2017

	Financial services *HK$'000*	Securities trading and investments *HK$'000* *(Represented)*	Money lending *HK$'000*	Consolidated *HK$'000* *(Represented)*
Revenue				
Revenue from financial services	34,915	–	–	34,915
Revenue from securities trading and investments	–	(30,088)	–	(30,088)
Revenue from money lending	–	–	50,645	50,645
Total revenue	34,915	(30,088)	50,645	55,472
Net unrealised fair value gain on financial assets at FVPL	–	399,605	–	399,605
Segment revenue	34,915	369,517	50,645	455,077
Segment profit (loss)	10,842	176,373	(3,323)	183,892
Unallocated other income				38,332
Net exchange gain				6,855
Other gains and losses				136,297
Share of results of associates				41,531
Loss on early settlement of promissory notes				(153,622)
Unallocated finance costs				(9,918)
Central corporate expenses				(157,059)
Profit before taxation				86,308

Segment revenue includes revenue from financial services, securities trading and investments and money lending operations. In addition, the chief operating decision makers also consider net unrealised fair value gain on financial assets at FVPL as segment revenue.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment result represents the profit earned or loss incurred by each segment without allocation of certain other income, certain other gains and losses, share of results of associates, certain finance costs and the central corporate expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

4. OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
		(Represented)
Interest income on:		
– bank deposits	**35,352**	37,613
– promissory note receivable *(Note 12)*	**13,853**	–
– other investment	**11,969**	722
– others	**368**	1,414
	61,542	39,749
Forfeiture of non-refundable deposit received upon termination of contract	**10,222**	–
Others	**3,950**	9,865
	75,714	49,614

5. OTHER GAINS AND LOSSES

	2018	2017
	HK$'000	*HK$'000*
Net exchange (loss) gain	**(29,834)**	6,855
(Loss) Gain on disposal of property and equipment	**(24,292)**	910
Loss on disposal of available-for-sale investments	**–**	(1,713)
Gain on disposal of financial assets at amortised cost	**965**	–
Net gain on disposal of subsidiaries	**136,680**	–
Loss on disposal of an associate	**(68,129)**	–
(Provision for) Reversal of impairment loss in respect of loan receivables *(Note 14)*	**(9,945)**	2,898
Recovery of doubtful consideration receivables	**–**	135,378
Other losses	**(25)**	(851)
	5,420	143,477

6. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on loan payables	**23,943**	35,302
Interest on margin financing	**18,147**	11,793
Interest on the promissory note *(Note 17)*	**12,292**	9,918
	54,382	57,013

7. (LOSS) PROFIT BEFORE TAXATION

This is stated after charging (crediting):

	2018	2017
	HK$'000	*HK$'000*
		(Represented)
Employee benefits expenses (including directors' emoluments)		
Salaries and other benefits	**24,360**	25,606
Retirement benefit scheme contributions	**675**	713
Share-based payment expenses	**–**	66,107
	25,035	92,426
Auditor's remuneration	**2,020**	1,980
Operating leases in respect of rented premises	**10,631**	9,293
Net unrealised fair value gain on financial assets at FVPL	**(183,199)**	(399,605)
Entertainment expenses	**22,507**	29,202
Legal and professional fees	**8,294**	16,735

8. INCOME TAX (CREDIT) EXPENSE

The two-tiered profits tax rates regime have been implemented from 1 April 2018, under which, the profit tax rate for the first HK$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK$2,000,000 will continue be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the year ended 31 December 2018, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. For the year ended 31 December 2017, Hong Kong Profits Tax has been provided at the rate of 16.5% on the Group's estimated assessable profits arising from Hong Kong.

	2018	2017
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**47,071**	43,812
Deferred taxation		
Origination and reversal of temporary difference	**(66,936)**	21,207
Income tax (credit) expense	**(19,865)**	65,019

9. DIVIDENDS

Final dividend of HK$0.015 per share amounting to approximately HK$87,176,000 in respect of the year ended 31 December 2018 has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

The directors of the Company have declared and paid a final dividend in respect of the year ended 31 December 2017 of HK$0.01 per share amounting to approximately HK$29,059,000 during the year ended 31 December 2018 (2017: Nil).

During the year ended 31 December 2018, the directors of the Company have declared and paid an interim dividend of HK$0.005 per share amounting to approximately HK$29,059,000 in respect of the six months ended 30 June 2018 (2017: declared and paid an interim dividend of HK$0.004 per share in respect of the six months ended 30 June 2017 with an option to receive new and full paid share in lieu of cash).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on profit attributable to the equity holders of the Company and the weighted average number ordinary shares in issue during the year as follows:

Earnings

	2018	2017
	HK$'000	*HK$'000*
Profit for the year attributable to equity shareholders of the Company, for the purpose of basic and diluted earnings per share	**21,035**	57,464

Number of shares

	2018	2017
Weighted average number of ordinary shares, for the purpose of basic and diluted earnings per share	**4,211,540,224**	2,387,083,168

Note:

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31 December 2018 and 2017 has not been adjusted to reflect the effect of rights issue during the year ended 31 December 2018 as there is no bonus element in such rights issue.

The computation of diluted earnings per share for the year ended 31 December 2018 and 2017 did not assume the exercise of certain share option since their assumed exercise during the years would have an anti-dilutive effect on the basic earnings per share amount presented.

11. DESIGNATED FVOCI/AVAILABLE-FOR-SALE INVESTMENTS

	Note	**2018** **HK$'000**	2017 HK$'000
Designated FVOCI			
Equity securities – listed			
Listed in Hong Kong		**1,165,840**	–
Listed in the United States		**104,645**	–
		1,270,485	–
Equity securities – unlisted	*(b)*	**682,602**	–
	(a)	**1,953,087**	–
Available-for-sale investments			
At fair value			
Equity securities – listed			
Listed in Hong Kong		**–**	1,470,267
Listed in the People's Republic of China (the "PRC")		**–**	28,343
		–	1,498,610
Equity securities – unlisted	*(b)*	**–**	100,000
	(a)	**–**	1,598,610
At cost			
Unlisted investments		**–**	961,037
Less: Impairment losses		**–**	(187,223)
	(b), (c)	**–**	773,814
		1,953,087	2,372,424

Notes:

(a) At 1 January 2018, the Group irrevocably designated certain investments in equity securities as Designated FVOCI as disclosed in note 2 because these equity securities represent investments that the Group intends to hold for long term for strategic purposes. The Group considers the accounting treatments under this classification provide more relevant information for those investments.

During the year ended 31 December 2018, Designated FVOCI of HK$480,121,000 were disposed because they no longer matched with the Group's investment strategy. The cumulative gain of HK$9,871,000 that was previously included in the investments revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2018.

During the year ended 31 December 2018, the net fair value loss on Designated FVOCI of HK$1,073,983,000 (2017: net fair value loss on available-for-sale investments of HK$62,553,000) was recognised in other comprehensive income.

The fair values of the listed investments are determined on the basis of quoted market price at the end of the reporting period.

(b) As at 31 December 2018, the amount represented the investments in unlisted equity securities issued by private entities. Included in the unlisted investments as at 31 December 2018, the Group held approximately 2.95% (2017: 3.71%) of the share capital of Co-Lead Holdings Limited ("Co-Lead") amount of HK$110,708,000 (2017: HK$100,000,000) and 10.34% (2017: 8.83%) of the issued shares of Satinu Resources Group Limited ("Satinu") in the amount of HK$406,083,000 (2017: HK$688,639,000), which are companies incorporated in the British Virgin Islands. Co-Lead and its subsidiaries principally engage in securities trading and investment holding business in Hong Kong and Satinu and its subsidiaries principally engage in integrated financial services, securities brokerage services, money lending, securities and other direct investments in Hong Kong.

The fair values of the unlisted investments are determined based on valuations carried out by an independent qualified professional valuer.

(c) At 31 December 2017, the investments in unlisted equity securities issued by private entities are held for an indefinite long term strategic purpose. The available-for-sale investments were measured at cost less impairment at the end of each reporting period because the directors were of the opinion that their fair values could not be measured reliably given that the range of reasonable fair value estimates is significant and the probabilities of the various estimates could not be reasonably assessed. These unlisted investments were reclassified to Designated FVOCI as at 1 January 2018 as disclosed in note 2 to the consolidated financial statements.

12. INTERESTS IN ASSOCIATES

	2018	2017
	HK$'000	*HK$'000*
Unlisted shares		
Shares of net assets	**5,088**	352,877
Goodwill	**119**	225,378
	5,207	578,255

Details of the associates at the end of the reporting period are as follows:

Name of entities	Country of incorporation	Principal place of operation	Class of share held	Proportion of ownership interests held by the Group % 2018	2017	Principal activities
HEC Securities Company Limited ("HEC Securities") *(Note)*	British Virgin Islands	Hong Kong	Ordinary	**–**	30	Investment holding, trading and investment of securities
Eternal Bullion Holding Group ("Eternal")	British Virgin Islands	Hong Kong	Ordinary	**25**	25	Investment holding, investment advisory and management services
Topwish Holdings Limited ("Topwish")	British Virgin Islands	Hong Kong	Ordinary	**25**	25	Investment holding and trading and investment of securities

Note:

HEC Securities

As at 31 December 2017, the Group had 30% equity interests in HEC Securities.

On 18 January 2018, the Group entered into a sale and purchase agreement with Satinu to sell back the 30% of the issued share capital of HEC Securities at a consideration of HK$525,000,000 of which HK$125,000,000 is payable in cash and HK$400,000,000 is payable by issuance of two zero-coupon promissory note at principal amount of HK$200,000,000 each maturing on 31 December 2018 and 31 December 2019, respectively. The disposal was completed on the same day. The fair values of the promissory notes were approximately HK$193,278,000 and HK$185,098,000 respectively at issue date of 18 January 2018. After deducting related expenses of HK$269,000, the transaction resulted in a loss on disposal of approximately HK$68,129,000 which has been charged to profit and loss during the year.

During the year ended 31 December 2018, the Group recognised interest income of HK$13,853,000 for the promissory notes. At the end of the reporting period, the carrying amount of promissory note maturing on 31 December 2019 was approximately HK$192,229,000.

Fair value of investments

At the end of the reporting period, all of the Group's associates are private companies and there was no quoted market price available for the investments.

Financial information of associates

Summarised financial information of each of the associates of the Group is set out below, which represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

At 31 December 2018

	Eternal	**Topwish**
	HK$'000	***HK$'000***
Gross amount		
Non-current assets	**–**	**12,606**
Current assets	**277**	**39,933**
Current liabilities	**(14)**	**(32,449)**
Equity	**263**	**20,090**

At 31 December 2018

	Eternal	Topwish
	HK$'000	*HK$'000*
Reconciliation		
Gross amount of equity	**263**	**20,090**
Group's ownership interests	**25%**	**25%**
Group's share of equity	**66**	**5,022**
Goodwill	**92**	**27**
Carrying amount of interests	**158**	**5,049**

Year ended 31 December 2018

	Eternal	Topwish
	HK$'000	*HK$'000*
Gross amount		
Revenue	**–**	**4,621**
Loss from continuing operations	**(187)**	**(7,062)**
Other comprehensive income	**–**	**–**
Total comprehensive loss	**(187)**	**(7,062)**
Group's ownership interests	**25%**	**25%**
Group's share of results	**(47)**	**(1,765)**

At 31 December 2017

	HEC Securities *HK$'000*	Eternal *HK$'000*	Topwish *HK$'000*
Gross amount			
Current assets	1,346,140	511	24,636
Non-current assets	438	–	12,647
Current liabilities	(193,320)	(62)	(10,132)
Non-current liabilities	–	–	–
Equity	1,153,258	449	27,151
Reconciliation			
Gross amount of equity	1,153,258	449	27,151
Group's ownership interests	30%	25%	25%
Group's share of equity	345,977	112	6,788
Goodwill	225,259	92	27
Carrying amount of interests	571,236	204	6,815

Year ended 31 December 2017

	HEC Securities *HK$'000*	Eternal *HK$'000*	Topwish *HK$'000*
Gross amount			
Revenue	94,827	–	1,224
Profit (loss) from continuing operations	139,291	(183)	(842)
Other comprehensive income	–	–	–
Total comprehensive income (loss)	139,291	(183)	(842)
Group's ownership interests	30%	25%	25%
Group's share of results	41,787	(46)	(210)

13. OTHER INVESTMENT

Other investment represents unlisted unit trusts in the PRC issued by an independent financial institution. The investment is in principal amount of RMB150,000,000 (equivalent to approximately HK$171,233,000) (2017: RMB150,000,000 (equivalent to approximately HK$179,426,000)) with fixed interest rate of 7% per annum and maturity date in November 2019.

14. TRADE, LOAN AND OTHER RECEIVABLES

	Note	2018 HK$'000	2017 HK$'000
Trade receivables			
Trade receivables arising from the business of securities brokerage			
– cash clients		**83**	76
– margin clients	*(b)*	**241,301**	22,978
– Hong Kong Securities Clearing Company Limited ("HKSCC")	*(c)*	**22,768**	–
	(a)	**264,152**	23,054
Trade receivable arising from the provision of corporate finance advisory services		**10**	–
		264,162	23,054
Loan receivables			
Loan and interest receivables from independent third parties		**340,367**	220,292
Less: Loss allowance		**(9,945)**	–
	(d)	**330,422**	220,292
Less: Non-current portion		**(22,098)**	(28,841)
Current portion		**308,324**	191,451
Other receivables			
Deposits with securities brokers	*(e)*	**55,421**	78,471
Receivable arising from recovery of doubtful consideration receivables	*(f)*	**–**	136,210
Other receivable from non-controlling shareholder		**60,000**	–
Other receivables, deposits and prepayments		**21,355**	16,912
		136,776	231,593
		709,262	446,098

The trade, loan and other receivables amount of HK$709,262,000 are expected to be recovered within one year, except for the deposits of HK$9,954,000 (2017: HK$5,765,000), which are expected to be recovered after more than one year.

Notes:

(a) No aging analysis by invoice date is disclosed as in the opinion of directors of the Company, the aging analysis does not give additional value in view of the nature of brokerage business. The Group offset certain trade receivable and trade payable when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.

(b) Trade receivables from margin clients are repayable on demand and bear interest ranging from 8% to 30% (2017: 8% to 30%) per annum for year ended 31 December 2018. The loans are secured by pledged marketable securities with a total fair value of approximately HK$1,376,032,000 (2017: HK$687,730,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group. During the years ended 31 December 2018 and 2017, no margin loans were granted to the directors of the Group nor directors of subsidiaries.

(c) The settlement terms of trade receivables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date.

(d) At the end of the reporting period, loan receivables include fixed rate loan advances to independent third parties of approximately HK$14,918,000 (2017: HK$45,474,000) which are secured by the pledge of certain collaterals and personal guarantees, bearing interest ranging from 5% to 48% (2017: 5% to 48%) per annum and have contractual loan period between 6 months and 12 years (2017: 5 months and 12 years) under the Group's money lending operation. The remaining balance of approximately HK$315,504,000 (2017: HK$174,818,000) include both fixed and variable rate loan advances to independent third parties which are unsecured, bearing interest ranging from 5% to 15% (2017: 10% to 24%) per annum and not overdue as at the end of reporting period. The contractual loan period for majority of the remaining balance is between 3 months and 3 years (2017: 2 months and 3 years).

    The amount granted to individuals and corporates depends on management's assessment of credit risk on the customers by evaluation on background check (such as their profession, salaries and current working position for individual borrowers and their industry and financial position for corporate borrowers) and repayment abilities.

Aging analysis of loan receivables (net of loss allowance) prepared based on loan commencement or renewal date set out in the relevant contracts is as follows:

	2018	2017
	HK$'000	*HK$'000*
Less than 1 month	**100,556**	–
1 to 3 months	**205,949**	17,473
4 to 6 months	**–**	38,520
7 to 12 months	**217**	121,338
Over 12 months	**23,700**	42,961
At the end of the reporting period	**330,422**	220,292

Aging analysis of loan receivables (net of loss allowance) prepared based on contractual due date is as follows:

	2018	2017
	HK$'000	*HK$'000*
Not yet past due	**330,357**	34,123
1 to 3 months past due	**–**	145,186
7 to 12 months past due	**–**	40,983
Over 12 months past due	**65**	–
At the end of the reporting period	**330,422**	220,292

As at 31 December 2018, the Group recognised loss allowance of HK$9,945,000 (2017: Nil) on its loan receivables. The movement in the loss allowance for loan receivables during the year is summarised below. The comparative amounts represent the loss allowance for impairment losses recognised under HKAS 39.

	2018			2017
	12-month ECL	**Lifetime ECL**	**Total**	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*
At the beginning of the reporting period, as previously reported	**–**	**–**	**–**	2,898
Effect of adoption of HKFRS 9	**–**	**–**	**–**	–
At the beginning of the reporting period, as restated	**–**	**–**	**–**	–
Increase in allowance	**3,262**	**6,683**	**9,945**	–
Reversal of allowance upon recovery of loan	**–**	**–**	**–**	(2,898)
At the end of the reporting period	**3,262**	**6,683**	**9,945**	–

The management closely monitor the credit quality of the loans and there are no indications that the loan receivables neither past due nor impaired will be uncollectible.

(e) Deposits with securities brokers represented the funds deposits with the brokers' houses for securities trading purpose.

(f) During the year ended 31 December 2011, the Group disposed of its 100% equity interest in a subsidiary to CNOOC Gas & Power Group (the "CNOOC Gas" or "Buyer"). The total consideration of the disposal of RMB1,037,642,000 (equivalent to approximately HK$1,247,166,000) was payable in instalments, the payment of which was subject to finalisation and confirmation of the results of supplemental audit. As at 31 December 2012, the supplemental audit was not yet finalised and the outstanding instalments of RMB357,642,000 (equivalent to approximately HK$429,858,000), were not received from the Buyer. In view of this, the Group made a provision for doubtful consideration receivable of HK$93,132,000 for the year ended 31 December 2012.

As at 31 December 2013, the Group was still not able to secure a satisfactory conclusion on the supplemental audit. Under the circumstances, the Board is of the opinion that the timing and eventual outcome of the finalisation of the supplemental audit and hence the settlement of the outstanding instalments cannot be estimated with reasonable certainty. It is determined that the receivable amount should be fully provided for until such time as the eventual outcome can be reliably estimated. Accordingly, the Group fully wrote down the receivable amount of HK$255,185,000, being the amount of consideration receivable amounting to HK$358,921,000 as originally stated after deducting estimated other taxes payable arising from the disposal of the subsidiary of HK$103,736,000, for the year ended 31 December 2013.

In December 2017, the Group received a civil judgement in favour of the Group in relation to the litigation on the disposal, pursuant to which the Group was judged to receive approximately RMB85,545,000 (equivalent to approximately HK$102,327,000) together with related interest of approximately RMB28,326,000 (equivalent to approximately HK$33,883,000).

In February 2018, approximately RMB102,328,000 (equivalent to approximately HK$116,813,000) after deducting other taxes of approximately RMB11,543,000 (equivalent to approximately HK$13,628,000) of the judged consideration receivables was settled by the Buyer. For the remaining outstanding instalment, net of other expenses, of approximately RMB206,513,000, the Group is awaiting a decision from the Court. Based on the legal opinion of the Group's PRC lawyers, the directors are of the opinion that the outcomes are uncertain.

15. FINANCIAL ASSETS AT FVPL

	2018	2017
	HK$'000	*HK$'000*
Mandatory measured at FVPL		
– Listed shares in Hong Kong	**2,328,186**	–
– Listed shares in the PRC	**201,426**	–
– Unlisted investment funds *(Note)*	**55,738**	–
Held for trading		
– Listed shares in Hong Kong	**–**	2,630,254
– Unlisted investment funds *(Note)*	**–**	160,464
	2,585,350	2,790,718

Note:

The unlisted investment funds are mainly subscribed from independent financial institutions. The portfolios of these funds mainly comprise securities listed in Hong Kong and overseas. The funds are redeemable at the discretion of the Group from time to time and the intention of holding them was for short-term investment.

16. TRADE AND OTHER PAYABLES

		2018	2017
	Note	***HK$'000***	*HK$'000*
Trade payables			
Trade payables arising from the business of securities brokerage			
– cash clients	*(a)*	**24,169**	2,140
– margin clients	*(a)*	**6,520**	6,607
– HKSCC	*(b)*	**–**	1,973
Secured margin loans from securities brokers	*(c)*	**460,944**	240,778
	14(a)	**491,633**	251,498
Other payables			
Other payables and accrued charges		**18,627**	40,541
		510,260	292,039

Notes:

(a) Trade payables to cash and margin clients are repayable on demand. In the opinion of the directors of the Company, no aging analysis is disclosed as the aging analysis does not give additional value.

(b) The settlement terms of trade payables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date. No aging analysis is disclosed as in the opinion of directors of the Company, the aging analysis does not give additional value in view of the nature of brokerage business.

(c) For secured margin loans from securities brokers, the loans are repayable on demand (except certain balances arising from trades pending settlement or margin deposits) and are interest-bearing at a range from 3.59% to 7.236% per annum (2017: 7.236% per annum). The total market value of equity securities, which are classified as financial assets at FVPL, pledged as collateral in respect of the loans was approximately HK$1,717,626,000 (2017: HK$738,272,000) as at 31 December 2018.

17. ACQUISITION OF NON-CONTROLLING INTERESTS IN A SUBSIDIARY

In January 2018, the Company acquired the remaining 11.78% of Win Wind Capital Limited ("Win Wind") at consideration of HK$320,000,000, which was settled by a zero-coupon promissory note with principal amount of HK$320,000,000 maturing on 30 June 2019. The acquisition was completed in July 2018. Upon completion of the acquisition, Win Wind became a wholly owned subsidiary of the Company.

The carrying amount of the non-controlling interest in Win Wind and its subsidiaries ("Win Wind Group") at the date of acquisition was HK$209,285,000 which represented proportionate share of carrying amount of net assets of Win Wind Group, including the deficit balance of the investment revaluation reserve (non-recycling) of HK$25,450,000 attributable to non-controlling interests. The fair value of the promissory note was approximately HK$301,478,000 at date of acquisition. The Group derecognised the non-controlling interest of HK$209,285,000 and recognised directly in retained earnings attributable to owners of the Company of HK$66,743,000 for the difference between (1) the amount by which the non-controlling interests are adjusted and (2) the fair value of the consideration payable, and the relevant deficit balance of investment revaluation reserve (non-recycling) of HK$25,450,000.

Special reserve of HK$383,950,000, which represents the difference between the consideration received and the amount by which the non-controlling interests is adjusted as a result of the disposal of 11.78% equity interests in Win Wind in previous years, was transferred to the retained earnings attributable to owners of the Company upon completion of the transaction.

During the year ended 31 December 2018, the Company settled part of the promissory note of HK$120,000,000 of and interest expense of HK$12,292,000 was recognised in profit and loss. At the end of the reporting period, the carrying amount of promissory note was approximately HK$193,770,000.

SCOPE OF WORK OF MESSRS. MAZARS CPA LIMITED

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in investment holdings, trading and investment in securities, and the provisions of (i) securities brokerage services, (ii) placing and underwriting services, (iii) corporate finance advisory services, (iv) money lending services, (v) investment advisory and asset management services, and (vi) margin financing services.

BUSINESS REVIEW

For the year ended 31 December 2018, the Group's revenue is a negative amount of approximately HK$94.5 million, compared with the positive revenue of approximately HK$55.5 million over last year. An ever-increasing number of SFC licensed corporations and new applicants to the industry has intensified market competition in the financial services industry in Hong Kong. In addition, market uncertainties fueled by China-US trade disputes also contributed to the Group's decline in revenue from the provision of financial services.

Loss for the year ended 31 December 2018 amounted to approximately HK$1.4 million compared with the profit of approximately HK$21.3 million for last year. Basic earnings per share is HK0.50 cents compared with loss per share of HK2.41 cents for last year.

The net loss of the Company was mainly attributable to 1) the narrowed unrealised gain on financial assets at fair value through profit or loss and 2) the realised loss from securities trading and investments. The performance of the financial assets was strongly related to the turbulence in the stock market, especially the Hong Kong stock market which had a bullish beginning of 2018 while suffered series of drastic decline thereafter. The concerns over the escalation of trade protectionism and the global influence of the Brexit negotiation were key factors that jittered the market.

Brokerage Services

Brokerage commission income generated from provision of securities brokerage services amounted to approximately HK$2.5 million for the year (2017: approximately HK$1.5 million).

Interest income generated from provision of margin financing services amounted to approximately HK$16.4 million for the year (2017: approximately HK$22.5 million).

Unfavorable market conditions may also increase the risk of defaults in margin loans which the Group provides to customers. Therefore, the Group maintained a balance on yield relative to risk and cautious approach to the credit control of its margin financing business. Accordingly, the Group's interest income generated from the provision of margin financing activities recorded a decrease when compared to the corresponding period in 2017.

Money Lending

Interest income from provision of money lending services decreased by approximately 55.7% to approximately HK$22.4 million for the year (2017: approximately HK$50.6 million).

The money lending market in Hong Kong remains highly competitive, as evidenced by the ever-increasing number of licensed money lenders which stood at well over 2,000 licensees in Hong Kong, as at 31 March 2018. Factors including intensive competition on interest margin, persistent increases in funding costs and uncertainties in macroeconomic environment have also created unprecedented challenges for the Group's money lending business. As a result, the Group's interest income experienced a decline in the year of 2018.

Placing and Underwriting Services

During the year, Win Wind Securities Limited, a wholly-owned subsidiary of the Company, has placed and underwritten securities with a value of approximately HK$22.5 million, and generated placement commission income of approximately HK$0.02 million (2017: HK$9.4 million). Win Wind Securities Limited has executed 1 placement and underwriting (including sub-placing).

Due to the intensified market competition in the financial services industry in Hong Kong and market uncertainties fueled by China-US trade disputes, the management has maintained a cautious approach before committing to underwriting and placing services at times of weak market sentiments.

Corporate Finance

Corporate finance advisory fees decreased by approximately 40.0% to approximately HK$0.3 million as a result of a decrease in customers' portfolio, as compared to approximately HK$0.5 million in last year.

Investment advisory

No investment advisory services income has been generated for the year ended 31 December 2018 (2017: approximately HK$1.1 million).

Proprietary Trading and Investments Holding

The Group engages in proprietary trading of listed securities, listed bonds and unlisted investment funds, which is classified as financial assets at fair value through profit or loss. The fair value of the portfolio amounted to approximately HK$2,585.3 million (2017: approximately HK$2,790.7 million), with a net loss on sales of financial assets at FVPL of approximately HK$301.2 million was recognised (2017: net loss of approximately HK$239.8 million) in last year. Dividend income decreased by approximately 21.3% to approximately HK$161.2 million (2017: approximately HK$204.7 million).

The Group will evaluate its present investment portfolios and future investment opportunities and adjust its investment portfolios and investment directions accordingly in light of the changing market environment under a rising-interest-rate context, a set of stringent monetary control policies implemented by the Central Government of China and the escalating trade tensions between China and US.

SIGNIFICANT INVESTMENTS

During the year, the Group had the following significant investments held which were classified as Designated FVOCI and financial assets at FVPL:

Name of investments	*Notes*	Percentage of shareholding as at 31 Dec 2018	Percentage of shareholding as at 31 Dec 2017	Fair value/ carrying amount as at 31 Dec 2018	Fair value/ carrying amount as at 31 Dec 2017	Net gain/ (loss) for the year ended 31 Dec 2018	Net gain/ (loss) for the year ended 31 Dec 2017
		%	*%*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Designated FVOCI							
Unlisted shares in overseas							
– Satinu Resources Group Ltd.	*1*	10.34	8.83	406,083	688,639	(282,556)	–
– Freewill Holdings Limited	*2*	7.71	7.71	57,209	29,588	27,621	(130,012)
– Co-Lead Holdings Limited	*3*	2.95	3.71	110,708	100,000	10,708	–
Listed shares in Hong Kong							
– Shengjing Bank Co., Ltd. (stock code: 2066)	*4*	12.33	12.33	647,900	1,176,100	(528,200)	(77,900)
Financial assets at FVPL							
Listed shares							
– China Evergrande Group (Stock code: 3333)	*5*	0.05	0.26	139,293	913,605	(29,911)	215,254
– Evergrande Health Industry Group Limited (stock code: 708)	*6*	1.38	0.89	187,306	238,394	532,344	124,983
– C C Land Holdings Limited (stock code: 1224)	*7*	3.54	2.15	259,662	144,303	13,410	(35,334)
– Guosheng Financial Holding Inc. (stock code: 002670.SZ)	*8*	1.35	0.33	201,426	114,653	(95,533)	21,421
– Asia Standard International Group Limited (stock code: 129)	*9*	3.09	3.09	55,547	77,602	(22,055)	13,070
– Newton Resources Ltd. (stock code: 1231)	*10*	2.18	2.27	81,784	85,450	(580)	23,018
– Larry Jewelry International Co. Limited (stock code: 8351)	*11*	3.55	3.81	5,015	63,004	(57,990)	49,118

The above table lists the investments which principally formed a significant portion of the net assets of the Group. To give details of other investments would result in particulars of excessive length.

The performance and prospects of the Group's significant investments during the period were detailed as follows:

1. **Satinu Resources Group Ltd. ("Satinu")**

   Satinu and its subsidiaries engage in integrated financial services, securities brokerage services, money lending, securities and other direct investments. Given recent merger and acquisition deals of financial related companies by Chinese enterprises and low interest rate environment, Satinu has a strategic investment value.

2. **Freewill Holdings Limited ("FHL")**

   FHL engages in the business of property investment, investment advisory and financial services, investment in securities trading and money lending. FHL is also an associate company of Freeman Fintech Corporation Limited as stated in point 7 below.

3. **Co-Lead Holdings Limited ("Co-Lead")**

   Co-Lead and its subsidiaries engage in securities trading and investment holding businesses. Its investment portfolio consists of listed and unlisted securities.

4. **Shengjing Bank Co., Ltd. ("Shengjing") (Stock code: 2066)**

   Shengjing engages in the provision of corporate and personal deposits, loans and advances, settlement, treasury business and other banking services as approved by the China Banking Regulatory Commission.

5. **China Evergrande Group ("China Evergrande") (Stock code: 3333)**

   China Evergrande focuses on property development, property investment, property management, property construction, hotel operations, finance business, internet business and health industry business in the PRC.

6. **Evergrande Health Industry Group Limited ("Evergrande Health") (Stock code: 708)**

   Evergrande Health principally engages in magazine publishing, distribution of magazine, digital business and provision of magazine content (collectively, the "Media Business") and "Internet+" community health management, international hospitals, elderly care and rehabilitation, medical cosmetology and anti-ageing (collectively, the "Health Management Segment").

7. **CC Land Holdings Limited ("CC Land") (Stock code: 1224)**

   CC Land principally engages in property development and investment and treasury investments.

8. **Guosheng Financial Holding Inc. ("Guosheng Financial") (Stock code: 002670. SZ)**

   Guosheng Financial is a China-based company listed on Shenzhen Stock Exchange and principally engages in security, investment and cable and wire businesses.

9. **Asia Standard International Group Limited ("Asia Standard") (Stock code: 129)**

   Asia Standard focuses on developing and investing properties in prime locations in Hong Kong and first-tier cities in the PRC, which is divided into operation sectors including property development, property leasing, hotel and travel, and financial investments.

10. **Newton Resources Ltd ("Newton Resources") (Stock code: 1231)**

    Newton Resources and its subsidiaries engage in trading business, mining, processing and sale of iron concentrates and gabbro-diabase and stone products and car-park business.

11. **Larry Jewelry International Company Limited ("Larry Jewelry") (Stock code: 8351)**

    Larry Jewelry and its subsidiaries engage in design and retailing of jewelry products and sales of Chinese pharmaceutical products, dried seafood, health products and foodstuffs in Hong Kong, Macau and the PRC.

Going forward, the Group expects that the stock markets in Hong Kong and the PRC will remain challenging for 2019, as the economies continue to show signs of slowing down. Even so, the Group will continue to pursue long-term business and profitability growth in line with its corporate mission and goals. The Group will continue to adopt prudent capital management and liquidity risk management policies and practices to preserve adequate buffer to meet the challenges ahead.

FINANCIAL POSITION

The Group's certain other receivables and bank balances are denominated in USD and RMB in amount of HK$867.5 million and HK$6.5 million respectively. The Group's financial services business is not exposed to significant foreign exchange risk as most of the transactions are denominated in HK$. No financial instruments were used for hedging purposes.

Capital commitments

As at 31 December 2018, the Group had HK$60 million of capital commitments in respect of the acquisition of property, and equipment that have not been provided in the Group's consolidated financial statements.

MATERIAL TRANSACTIONS

(a) Disposal of 30% of the issued share capital in HEC Securities

On 18 January 2018, the Group entered into a sale and purchase agreement with Satinu to sell back the 30% of the issued share capital of HEC Securities at consideration of HK$525,000,000 of which HK$125,000,000 is payable in cash and HK$400,000,000 is payable by the issue of two zero-coupon promissory notes at principal amount of HK$200,000,000 each maturing on 31 December 2018 and 31 December 2019, respectively (the "Disposal"). The aggregate fair values of the promissory notes were approximately HK$378,376,000 at issue date of 18 January 2018. Details of the Disposal were set out in the Company's announcement dated 18 January 2018.

(b) Acquisition of 11.78% of equity interests in Win Wind

In January 2018, the Company entered into an acquisition agreement with China Touyun Tech Group Limited (formerly known as "China Optoelectronics Holding Group Limited") ("China Touyun") pursuant to which the Company conditionally agreed to acquire and the China Touyun conditionally agreed to sell 13,600,000 shares of Win Wind, representing approximately 11.78% of the entire issued share capital of Win Wind, at consideration of HK$320,000,000, which will be settled by the issue of a zero-coupon promissory note (the "Acquisition"). Details of the Acquisition were set out in the Company's announcement dated 25 January 2018. Upon completion of the Acquisition on 24 July 2018, Win Wind had become a wholly-owned subsidiary of the Company.

(c) Rights issue

On 28 March 2018, the Company announced a proposed rights issue on the basis of one rights share for every one share in issue at a subscription price of HK$0.45 per rights share to raise not less than HK$1,307.64 million (before expenses) and not more than HK$1,314.40 million (before expenses) (the "Rights Issue"). Details of the Rights Issue were set out in the announcement of the Company dated 28 March 2018 and the prospectus of the Company dated 28 June 2018. The Rights Issue was completed on 20 July 2018, and the issued share capital of the Company was increased from 2,905,883,141 shares to 5,811,766,282 shares.

Reference is made to the (i) the prospectus of the Company dated 28 June 2018; (ii) the 2018 interim report of the Company published on 19 September 2018; and (iii) the announcement of the Company dated 3 January 2019. The details of the proposed use of proceeds, change in use of proceeds, and the actual use of proceeds from the Rights Issue up to the date of this announcement are as follows:

			Proposed use of proceeds from the Rights Issue *HK$'000*	Change in use of proceeds from the Rights Issue *HK$'000*	Amount utilised *HK$'000*	Amount unutilised *HK$'000*
(i)	Business development of the Group's financial services					
	a)	provide additional resources to the Group's money lending business	300,000	–	300,000	–
	b)	provide additional resources to the Group's margin financing business	180,000	–	180,000	–
	c)	conduct marketing activities *(Note)*	10,000	(8,858)	1,142	–
	d)	hire high caliber professionals *(Note)*	10,000	(10,000)	–	–
			500,000	(18,858)	481,142	–
(ii)	Repayment of the outstanding principal and interest of the Group's loans due to third parties		325,000	–	325,000	–
(iii)	Operating expenses		100,000	–	100,000	–
	General working capital *(Note)*		–	18,858	3,276	15,582
(iv)	Finance any investment opportunities		23,418	–	23,418	–
(v)	Settlement of the promissory note in relation to the acquisition of Win Wind		320,000	–	120,000	200,000
Total			**1,268,418**	**–**	**1,052,836**	**215,582**

The unutilised net proceeds from the Rights Issue will be applied in accordance with the intended uses as disclosed.

Note:

As disclosed in the Company's announcement dated 3 January 2019, the Board proposed to reallocate certain unutilized amount being approximately HK$18.86 million (which was initially allocated for conducting marketing activities and hiring high caliber professionals), as general working capital of the Group.

(d) Acquisition of a subsidiary

On 24 July 2018, Pacific Stone Limited, a wholly owned subsidiary of the Company, entered into an acquisition agreement with a third party ("Vendor") under which they agreed to sell 625 shares of Noble Order Limited ("Noble Order"), representing approximately 62.5% of the entire issued share capital of Noble Order (the "Noble Order Acquisition"), at consideration of HK$125,000,000, which will be settled by the issue of a zero-coupon three-month promissory note in the principal amount of HK$125,000,000 by the Company to a subsidiary of the Vendor. The Noble Order Acquisition was completed on the same day. Upon completion of the Noble Order Acquisition, Noble Order had become a non-wholly owned subsidiary of the Company.

EVENT AFTER THE REPORTING PERIOD

Proposed change of company name and proposed adoption of new bye-laws

On 1 February 2019, the Board of the Company proposed to change the name of the Company from "Enerchina Holdings Limited" to "Oshidori International Holdings Limited" (the "**Proposed Change of Company Name**") and the existing Chinese name of the Company of "威華達控股有限公司" used for identification purpose only as well as the Company logo will remain unchanged. The Board also proposed to amend the existing bye-laws (the "**Bye-laws**") to, inter alia, reflect certain amendments to the Listing Rules as well as the laws of Bermuda and the Proposed Change of Company Name. In view of the number of amendments proposed to be made to the existing Bye-laws, the Board proposed that a new set of Bye-laws of the Company with all the proposed amendments to the existing Bye-laws incorporated be adopted to replace the existing Bye-laws, instead of carrying out piecemeal modifications on the existing Bye-laws. Details of the Proposed Change of Company Name and proposed adoption of new Bye-laws were set out in the Company's announcement dated 1 February 2019 and the circular dated 27 February 2019.

LITIGATION

(a) Updates on the previous disposal of shares in Shenzhen Fuhuade Electric Power Co., Ltd. ("Fuhuade")

During the year ended 31 December 2011, the Group disposed of its 100% equity interest in Fuhuade to CNOOC Gas & Power Group (the "Buyer"). The total consideration of the disposal of RMB1,037,642,000 (equivalent to approximately HK$1,247,166,000) was payable in instalments, the payment of which was subject to finalization and confirmation of the results of supplemental audit. As at 31 December 2012, the supplemental audit was not yet finalized and the outstanding instalments were not received from the Buyer. In view of this, the Group made a provision for doubtful consideration receivable of HK$93,132,000 for the year ended 31 December 2012.

As at 31 December 2013, the Group was still not able to secure a satisfactory conclusion on the supplemental audit. Under the circumstances, the Board is of the opinion that the timing and eventual outcome of the finalization of the supplemental audit and hence the settlement of the outstanding instalments cannot be estimated with reasonable certainty. It is determined that the receivable amount should be fully provided for until such time as the eventual outcome can be reliably estimated. Accordingly, the Group fully wrote down the receivable amount of HK$255,185,000, being the amount of consideration receivable amounting to HK$358,921,000 as originally stated after deducting estimated other taxes payable arising from the disposal of the subsidiary of HK$103,736,000, in the profit and loss account for the year ended 31 December 2013.

On 20 December 2017, the Group received a civil judgement (廣東省深圳市中級人民法院民事判決書[2014]深中法涉外初字第59號) in favour of the Group in relation to the litigation on the previous disposal of shares in Fuhuade, pursuant to which the Group is judged to receive approximately RMB85.5 million (equivalent to approximately HK$102.3 million) together with related interest of approximately RMB28.3 million (equivalent to approximately HK$34 million) (before tax).

On 13 February 2018, the Group received approximately RMB102.3 million (equivalent to approximately HK$116.8 million) in this regard.

Apart from the above, the Group is still awaiting a decision from the court in relation to the third installment (廣東省深圳市中級人民法院[2016]粵03民初662號).

(b) Legal Proceeding against Mr. Qin Jun

On 6 May 2016, Win Wind Resources Limited ("Win Wind Resources"), a non-wholly owned subsidiary of the Company, commenced legal proceedings as creditor by filing a bankruptcy petition with the Court of First Instance of Hong Kong, against Mr. Qin Jun as debtor regarding an outstanding loan (and accrued interest) in the approximate sum of HK$54.99 million pursuant to a loan agreement dated 29 September 2014 made between Win Wind Resources as lender and Mr. Qin Jun as borrower (as supplemented by a supplementary agreement made between the parties dated 29 March 2015). Mr. Qin Jun was declared bankrupt by the Court of First Instance on 27 July 2016. Mr. Qin Jun subsequently filed an application to annul the bankruptcy order, however such application was dismissed by the Court of First Instance at a hearing on 10 April 2017 and costs relating to the application were ordered to be paid by Mr. Qin Jun to Win Wind Resources. On 5 May 2017, Mr. Qin Jun filed a Notice of Appeal with the Court of Appeal to appeal against the judgment made on 10 April 2017 by the Court of First Instance. The appeal was heard before the Court of Appeal on 15 August 2018 and it was dismissed with costs ordered to be paid by Mr. Qin Jun on an indemnity basis. On 12 September 2018, Mr. Qin Jun filed a Notice of Motion in the Court of Appeal for leave to appeal the judgement dated 15 August 2018 in the Court of Final Appeal. The appeal was heard before the Court of Appeal on 16 November 2018 and it was dismissed with costs on an indemnity basis. On 14 December 2018, Mr. Qin Jun filed a Notice of Motion in the Court of Final Appeal for leave to appeal the judgment of the Court of Appeal. The Registrar of the Court of Final Appeal issued a notice to show cause as to why Mr. Qin Jun's application should not be dismissed by the Appeal Committee, but the decision of the Appeal Committee is still pending and it is not known to us whether or not Mr. Qin Jun has made submissions in respect of the notice. Win Wind Resources has been advised by its legal counsel that the Appeal Committee is likely to dismiss Mr. Qin Jun's application, as the judgement handed down by the Court of Appeal on 16 November 2018 dismissed Mr. Qin Jun's appeal with costs on an indemnity basis, reflecting that the only ground of appeal is unarguable.

(c) Writs of Summons issued by Allied Weli Development Limited and John Howard Bachelor and Kenneth Fung as Joint and Several Liquidators (the "Liquidators of Allied Weli Development Limited")

Enerchine Corporate Finance Limited, Win Wind Capital Limited, Win Wind Investment (Holdings) Limited, Enerchine Nominee Limited and Win Wind Securities Limited, which are all non-wholly owned subsidiaries of the Company, have been named, inter alia, as defendants (together, the "Defendant Parties") in two separate writ of summons under a legal proceeding in the High Court of Hong Kong (the "Writs"). The plaintiffs under the Writs are Allied Weli Development Limited (in Liquidation) and John Howard Bachelor and Kenneth Fung as Joint and Several Liquidators (the "Liquidators") of Allied Weli Development Limited. The Liquidators have not served the Writs on the Defendant Parties. On 2 February

2018, the Group, through its legal advisors, requested the Liquidators to (i) serve the Writs of Summons on the Defendant Parties by 20 February 2018 as required under the Rules of the High Court (Order 12, rule 8A) or (ii) to discontinue the Writs against the Defendant Parties. On 15 February 2018, the Group received a letter from Kirkland & Ellis, the legal advisors acting for the Liquidators stating, inter alia, that the Writs were issued on a protective basis and the Liquidators did not intend to serve the Writs on the Defendant Parties at this stage. The letter further stated the Liquidators' investigations are on-going, and they were not in a position to determine whether to pursue the claims described in the Writs and that the Liquidators may ultimately decide not to pursue a claim against the Defendant Parties at all. The Defendant Parties have been advised by their legal advisor that the validity of one of the writs of summons was extended for 12 months from 9 January 2019 by way of ex parte application by the liquidators while the other writ of summons has now expired.

The management of the Group is of the view that the filing of the Writs by the Liquidators will cause prejudice when the Group negotiates new credit facilities or continues its existing credit facilities. Moreover, due to litigation searches that are customarily carried out as part of due diligence procedures prior to transactions by counterparties, the filing of the Writs by the Liquidators will also affect any transactions that the Group may intend to enter. As the Writs have not been served on the Defendant Parties, accordingly no provision has been made in the consolidated financial statements for the financial year ended 31 December 2018. However, the management of the Company considers the Writs are groundless and amount to attempts to adversely affect the reputation and the business operations of the Group.

PROSPECTS

With the trade dispute between China and the United States looming behind the stock markets in both China and Hong Kong kicked off 2019 with losses. Decline in manufacturing contracts as well as other statistics or projections further added to concerns of a slowdown in economy. Even with the trade disputes between China and the United States eventually coming to an end and with the Chinese government enhancing policies to support the private sectors, the afterpain of the trade friction could still affect both mainland China and Hong Kong's external trade performance. It is broadly projected that the growth momentum will slow notably in 2019 with steady global economic recovery, the gradual normalization of Hong Kong dollar interest rate and the asset market corrections.

The operating environment of the banking and financial industry in Hong Kong will be even more competitive and volatile and will undoubtedly exert pressure on the pricing of financial products. Furthermore, the increasing compliance-related and system-related costs in meeting the regulatory and supervisory requirements are expected to impact the cost efficiency and earnings growth of banks and financial institutions in Hong Kong. The Group will continue to pursue long-term business and profitability growth in line with its corporate mission and goals. The Group will continue to adopt prudent capital management and liquidity risk management policies and practices to preserve adequate buffer to meet the challenges ahead.

The Group is constantly seeking (1) investment opportunities, domestic or abroad, to enrich its investment portfolio; (2) lending opportunities at higher yields in anticipation for higher funding costs consistent with the Group's prudent lending policy; and (3) sound and flexible marketing strategies to expand the customer base and channels of services. The Group will continue to conduct fund-raising activities and invite competent personnel to join the Group in order to enhance and expand its capability to cope with the ever-changing environment and seize opportunities as and when they arise. The Group strives to make investments in its infrastructure and follow developments in the financial sector to maintain its competitive edge.

Recently, the Company has proposed to change its English name into "Oshidori International Holdings Limited". The name change aims to bring a new image to the Company and represents the Company's intention to participate in potential investment opportunities in fintech, lifestyle, real estate and integrated resort projects in other regions. By adopting the new English name, the Company hopes to draw investors' attention to the existing as well as potential investments of the Group.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK$0.015 per share for the year ended 31 December 2018 (2017: HK$0.01 per share), amounting to approximately HK$87.2 million, subject to the approval of the shareholders at the forthcoming annual general meeting (the "AGM"). Upon approval of the shareholders, the proposed final dividend will be paid on Thursday, 27 June 2019 to the shareholders of the Company whose names appear on the Company's register of members as at Monday, 17 June 2019.

An interim dividend of HK$0.005 per share in respect of the six months ended 30 June 2018 was paid on 27 September 2018, amounting to approximately HK$29.1 million.

PROPOSED SHARE PREMIUM REDUCTION

The Board proposes to put forward to the Shareholders a proposal to reduce the entire amount standing to the credit of the Share Premium Account of the Company pursuant to the laws of Bermuda and the Company's bye-laws.

As at 31 December 2018, the amount standing to the credit of the Share Premium Account was HK$5,739 million. It is proposed that (i) the entire amount of HK$5,739 million standing to the credit of the Share Premium Account be reduced to nil, (ii) the credit of approximately HK$5,682 million arising from the Share Premium Reduction be transferred to the Contributed Surplus Account, and (iii) the amount standing to the credit of the Contributed Surplus Account following the Share Premium Reduction be applied in any manner permitted by the laws of Bermuda and the bye-laws of the Company, including but not limited to setting off the entire amount of the accumulated losses of the Company.

Upon completion the Share Premium Reduction, the balance of the Share Premium Account will become nil and the credit balance of the Contributed Surplus Account will be increased by approximately HK$5,682 million to approximately HK$5,726 million.

Conditions for the Share Premium Reduction

The Share Premium Reduction is subject to the following conditions:

(a) the passing of a special resolution by the Shareholders to approve the Share Premium Reduction at the AGM;

(b) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the reduction would be, unable to pay its liabilities as they become due; and

(c) compliance with the relevant procedures and requirements under the laws of Bermuda, including publication of a notice of the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date, and the Listing Rules.

Subject to the fulfillment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the Effective Date, i.e. being the next business day immediately following the date of passing of the relevant special resolution approving the Share Premium Reduction at the AGM.

Reasons for the Share Premium Reduction

According to Bermuda law, where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to the share premium account. A company shall not declare or pay a dividend out of the sums standing in the share premium account of the company. On the other hand, a company can declare or pay a dividend out of contributed surplus provided that there are no reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due or the realizable value of the company’s assets would thereby be less than its liabilities.

The Share Premium Reduction and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will give the Company greater flexibility to declare dividends or make distribution to the Shareholders in the future as and when the Board considers appropriate. The Board is satisfied that implementation of the Share Premium Reduction would not make the Company unable to pay its liabilities as they become due.

Based on the foregoing reasons, the Board is of the view that the Share Premium Reduction is in the best interests of the Company and Shareholders as a whole.

Effects of the Share Premium Reduction

The implementation of the Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the expenses to be incurred in relation to the Share Premium Reduction, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have material adverse effect on the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders in the underlying assets of the Company.

Shareholders and potential investors should note that the Share Premium Reduction is conditional upon satisfaction of the conditions as set out in the paragraph headed "Conditions for the Share Premium Reduction" in this announcement and due compliance with the Companies Act. Accordingly, the Share Premium Reduction may or may not finally proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2019 AGM of the Company was scheduled to be held on Thursday, 6 June 2019. The notice of AGM will be published on the Company's website at www.enerchina.com.hk and the designated website of the Stock Exchange at www.hkexnews.hk in due course.

For determining the qualification as members of the Company to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Monday, 3 June 2019 to Thursday, 6 June 2019, both days inclusive, during which period no transfers of shares will be registered. In order to qualify as members to attend and vote at the AGM, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 31 May 2019.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 13 June 2019 to Monday, 17 June 2019, both days inclusive, during which period no transfers of shares will be registered. In order to be eligible for the entitlement to the proposed final dividend, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 12 June 2019.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed approximately 40 full time employees for its principal activities. The Group recognizes the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the approved share option scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2018.

CORPORATE GOVERNANCE

During the period, the Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 of the Listing Rules.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In accordance with the requirements of Appendix 27 of the Listing Rules, the Company has engaged our business functions to identified relevant environmental, social and governance issues and assessed their materiality to our business as well as our stakeholders, through reviewing our operations and holding internal discussions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the year ended 31 December 2018, all Directors have complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors, namely, Mr. Cheung Wing Ping, Mr. Hung Cho Sing and Mr. Chan Hak Kan. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The annual results of the Group for the year ended 31 December 2018 had been audited by the Company's auditor, Messrs. Mazars CPA Limited, and had been reviewed by the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the staff and management team of the Group for their contribution during the year and also to give my sincere gratitude to all our shareholders for their continual support all these years.

By order of the Board
Enerchina Holdings Limited
Sam Nickolas David Hing Cheong
Chairman

Hong Kong, 21 March 2019

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:
Mr. Sam Nickolas David Hing Cheong *(Chairman)*
Mr. Chow Chi Wah Vincent *(Managing Director)*
Mr. Wong Yat Fai
Ms. Wong Wan Men Margaret

Independent Non-Executive Directors:
Mr. Cheung Wing Ping
Mr. Hung Cho Sing
Mr. Chan Hak Kan