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OSHIDORI INTERNATIONAL HOLDINGS LIMITED
威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 622)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board of directors (the "**Board**") of Oshidori International Holdings Limited (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2019 as follows:

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Note	Six months ended **30.6.2019** *HK$'000* (Unaudited)	30.6.2018 *HK$'000* (Unaudited) (Re-presented)
Revenue	*3*	**205,642**	(259,821)
Other income	*4*	**19,570**	40,924
Other gains and losses	*5*	**21,536**	59,826
Net unrealised fair value loss on financial assets at fair value through profit or loss ("FVPL")	*3*	**(243,008)**	(1,333)
Provision of impairment loss in respect of loan receivables		**(70,085)**	–
Depreciation of property and equipment		**(11,864)**	(11,035)
Employee benefits expenses		**(39,084)**	(13,020)
Other expenses		**(57,428)**	(57,581)
Share of results of associates		**(3,574)**	(894)
Finance costs	*6*	**(22,653)**	(28,912)
Loss before taxation		**(200,948)**	(271,846)
Income tax credit	*7*	**2,251**	46,590
Loss for the period		**(198,697)**	(225,256)
Other comprehensive income (loss):			
Item 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")		**241,556**	(404,976)
Items that are reclassified or may be reclassified subsequently to profit or loss			
Fair value change on financial assets mandatory at fair value through other comprehensive income ("Mandatory FVOCI")		**196**	–
Exchange differences arising on translation to presentation currency		**(5,152)**	(7,973)
		(4,956)	(7,973)
Total other comprehensive income (loss) for the period		**236,600**	(412,949)
Total comprehensive income (loss) for the period		**37,903**	(638,205)

	Note	Six months ended 30.6.2019 HK$'000 (Unaudited)	30.6.2018 HK$'000 (Unaudited) (Re-presented)
Loss for the period attributable to:			
Owners of the Company		**(198,674)**	(200,502)
Non-controlling interests		**(23)**	(24,754)
		(198,697)	(225,256)
Total comprehensive income (loss) for the period attributable to:			
Owners of the Company		**42,903**	(566,475)
Non-controlling interests		**(5,000)**	(71,730)
		37,903	(638,205)
		HK cents	*HK cents*
Loss per share	*9*		
Basic		**(3.42)**	(6.90)
Diluted		**(3.42)**	(6.90)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2019

	Note	30.6.2019 HK$'000 (Unaudited)	31.12.2018 HK$'000 (Audited)
Non-current assets			
Property and equipment		**71,454**	78,641
Right-of-use assets	*10*	**8,648**	–
Financial assets at fair value through other comprehensive income ("FVOCI")	*11*	**2,910,445**	1,953,087
Interests in associates	*12*	**61,798**	5,207
Intangible assets		**3,908**	3,908
Other deposits		**542**	4,316
Loan receivables	*13*	**68,860**	22,098
Deposit paid for acquisition of property and equipment		**201,290**	140,000
		3,326,945	2,207,257
Current assets			
Trade, loan and other receivables	*13*	**1,142,329**	709,262
Income tax recoverable		**2,911**	2,757
Promissory note receivable	*14*	**147,062**	192,229
Financial assets at FVPL	*15*	**2,249,209**	2,585,350
Other investment		**–**	171,233
Bank balances – trust and segregated accounts		**170,910**	10,297
Cash and cash equivalents		**267,459**	1,390,337
		3,979,880	5,061,465
Current liabilities			
Trade and other payables	*16*	**586,346**	510,260
Lease liabilities	*10*	**6,594**	–
Income tax payable		**3,260**	1,017
Loan payables		**150,855**	–
Promissory note payable	*17*	**100,000**	193,770
		847,055	705,047
Net current assets		**3,132,825**	4,356,418
Total assets less current liabilities		**6,459,770**	6,563,675

	Note	30.6.2019 *HK$'000* (Unaudited)	31.12.2018 *HK$'000* (Audited)
Non-current liabilities			
Deferred taxation		**57,781**	64,257
Lease liabilities	*10*	**2,124**	–
		59,905	64,257
NET ASSETS		**6,399,865**	6,499,418
Capital and reserves			
Share capital		**290,588**	290,588
Reserves		**6,103,850**	6,123,427
Equity attributable to owners of the Company		**6,394,438**	6,414,015
Non-controlling interests		**5,427**	85,403
TOTAL EQUITY		**6,399,865**	6,499,418

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Company for the six months ended 30 June 2019 (the "Interim Financial Statements") are 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 on Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements should be read in conjunction with the 2018 annual financial statements. The accounting policies adopted in preparing the Interim Financial Statements for the six months ended 30 June 2019 are consistent with those in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of the new/revised standards of Hong Kong Financial Reporting Standards ("HKFRSs") which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1 January 2019 as described below.

Adoption of new/revised HKFRSs

Annual Improvements to HKFRSs	2015–2017 Cycle
HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Employee benefits
Amendments to HKAS 28	Investments in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKFRS 3	Definition of Business
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Apart from the impact on adoption of HKFRS 16 as set out below, the adoption of those new and revised HKFRSs has no material impact on the Group's results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

HKFRS 16 "Leases"

HKFRS 16 significantly changes, among others, the lessee accounting by replacing the dual-model under HKAS 17 *Leases* with a single model which requires a lessee to recognise right-of-use assets and lease liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. In subsequent measurement, depreciation (and, if applicable, impairment loss) and interest are recognised on the right-of-use assets and the lease liabilities respectively. HKFRS 16 also requires enhanced disclosures to be provided by lessees and lessors.

For leases previously classified as operating leases applying the previous accounting standards in which the Group is the lessee, the Group has applied HKFRS 16 retrospectively in accordance with the transitional provisions therein using the cumulative effect method (i.e. the cumulative effect of initially applying HKFRS 16 is recognised as an adjustment to the opening balance of equity at 1 January 2019). Therefore, the comparative information has not been restated for the effect of HKFRS 16. Besides, lease liabilities are recognised at 1 January 2019 and measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at that date while the corresponding right-of-use assets are measured at the same amount, adjusted by any prepaid or accrued lease payments recognised immediately before 1 January 2019.

The Group has also elected to apply the following practical expedients permitted by HKFRS 16:

- A single discount rate is applied to a portfolio of leases with reasonably similar characteristics;
- The use of hindsight in determining the lease term when the contract contains option to extend or terminate the lease; and
- Initial direct costs are excluded from the measurement of the right-of-use assets at 1 January 2019.

The Group has also elected not to reassess whether a contract, is or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made by applying HKAS 17 and HK(IFRIC)–Int 4 *Determining whether an Arrangement contains a Lease*.

Summary of effect of the changes in accounting policies

The following table summarises the impact of transition to HKFRS 16 as at 1 January 2019:

	31 December 2018	**Effect on adoption of HKFRS 16**	**1 January 2019**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Right-of-use assets	–	8,874	8,874
Current liabilities			
Lease liabilities	–	7,298	7,298
Non-current liabilities			
Lease liabilities	–	1,576	1,576
	–	8,874	8,874

The Group previously charged the operating leases payments to the statements of profit or loss and other comprehensive income on a straight line basis over the lease term. With the adoption of HKFRS 16, all leases with a term (or, in the case of transition, remaining term) of more than 12 months, unless the underlying asset is of low value, are recognised as right-of-use assets and lease liabilities. Right-of-use assets and lease liabilities of approximately HK$8,874,000 were recognised on the date of adoption of HKFRS 16 (i.e. 1 January 2019). The adoption has no impact on the Group's retained earnings at 1 January 2019. The operating lease commitment on short-term leases and leases of low-value assets at 1 January 2019 amount to approximately HK$1,686,000.

The weighted average incremental borrowing rate applied to the lease liabilities recognised at 1 January 2019 is 5.3%.

There is no significant difference between the amount of the operating lease commitments disclosed applying the previous accounting standards at 31 December 2018, discounted using the incremental borrowing rate at 1 January 2019 and the amount of lease liabilities recognised in the condensed statements of financial position at 1 January 2019.

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 condensed consolidated statement of profit or loss and other comprehensive income. Comparatives for the six months ended 30 June 2018 have been represented as follows.

	Six months ended 30 June 2019			Six months ended 30 June 2018		
	Before reclassification	**Effect of reclassification**	**As reported**	As previously reported	Effect of reclassification	As re-presented
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**53,781**	**151,861**	**205,642**	15,300	(275,121)	(259,821)
Other income	**67,911**	**(48,341)**	**19,570**	51,089	(10,165)	40,924
Loss on financial assets at FVPL	**(139,488)**	**139,488**	**–**	(286,619)	286,619	–
Net unrealised fair value loss on financial assets at FVPL	**–**	**(234,008)**	**(243,008)**	–	(1,333)	(1,333)

3. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segment and measurement of segment profit based on the internal reports to the executive directors, the Group's chief operating decision maker, 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 six months ended 30 June 2019 (Unaudited)

	Financial services	Securities trading and investments	Money lending	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue				
Revenue from financial services	**30,614**	**–**	**–**	**30,614**
Revenue from securities trading and investments	**–**	**151,861**	**–**	**151,861**
Revenue from money lending	**–**	**–**	**23,167**	**23,167**
Total revenue	**30,614**	**151,861**	**23,167**	**205,642**
Net unrealised fair value loss on financial assets at FVPL	**–**	**(243,008)**	**–**	**(243,008)**
Segment revenue	**30,614**	**(91,147)**	**23,167**	**(37,366)**
Segment gain (loss)	**12,499**	**(134,764)**	**(53,556)**	**(175,821)**
Unallocated other income				**12,054**
Net exchange gain				**21,211**
Other gains and losses				**325**
Share of results of associates				**(3,574)**
Central corporate expenses				**(55,143)**
Loss before taxation				**(200,948)**

For the six months ended 30 June 2018 (Unaudited)

	Financial services *HK$'000*	Securities trading and investments *HK$'000* *(Re-presented)*	Money lending *HK$'000*	Consolidated *HK$'000* *(Re-presented)*
Revenue				
Revenue from financial services	2,154	–	–	2,154
Revenue from securities trading and investments	–	(275,121)	–	(275,121)
Revenue from money lending	–	–	13,146	13,146
Total revenue	2,154	(275,121)	13,146	(259,821)
Net unrealised fair value loss on financial assets at FVPL	–	(1,333)	–	(1,333)
Segment revenue	2,154	(276,454)	13,146	(261,154)
Segment loss	(11,333)	(299,309)	(13,813)	(324,455)
Unallocated other income				27,743
Net exchange loss				(9,815)
Other gains and losses				68,701
Share of results of associates				(894)
Central corporate expenses				(33,126)
Loss before taxation				(271,846)

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 loss on financial assets at FVPL as segment revenue.

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

	Note	Six months ended 30.6.2019 HK$'000 (Unaudited)	30.6.2018 HK$'000 (Unaudited) (Re-presented)
Interest income on:			
– bank deposits		**4,977**	15,298
– promissory notes receivable	*14*	**4,833**	6,470
– other investments		**2,285**	5,990
– others		**43**	209
		12,138	27,967
Forfeiture of non-refundable deposit received upon termination of contract		**–**	10,222
Others		**7,432**	2,735
		19,570	40,924

5. OTHER GAINS AND LOSSES

	Note	Six months ended 30.6.2019 HK$'000 (Unaudited)	30.6.2018 HK$'000 (Unaudited)
Net exchange gain (loss)		**21,211**	(9,815)
Loss on disposal of property and equipment		**–**	(24,292)
Gain on disposal of held-to-maturity investments		**–**	965
Gain on disposal of subsidiaries		**–**	161,122
Loss on disposal of an associate		**–**	(68,129)
Gain on deemed disposal of an associate	*12*	**325**	–
Others		**–**	(25)
		21,536	59,826

6. FINANCE COSTS

	Note	Six months ended 30.6.2019 *HK$'000* (Unaudited)	30.6.2018 *HK$'000* (Unaudited)
Interest on loan payables		**855**	20,348
Interest on margin financing		**15,362**	8,564
Interest on promissory note payable	*17*	**6,230**	–
Imputed interest on lease liabilities		**206**	–
		22,653	28,912

7. INCOME TAX CREDIT

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 six months ended 30 June 2019, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. For the six months ended 30 June 2018, Hong Kong Profits Tax has been provided at the rate of 16.5% on the Group's estimated assessable profits arising from Hong Kong.

	Six months ended 30.6.2019 *HK$'000* (Unaudited)	30.6.2018 *HK$'000* (Unaudited)
Current tax		
Hong Kong Profits Tax	**4,225**	48,211
Deferred taxation		
Reversal of temporary difference	**(6,476)**	(94,801)
Income tax credit	**(2,251)**	(46,590)

8. DIVIDENDS

The directors of the Company have declared and paid a final dividend in respect of the year ended 31 December 2018 of HK$0.015 per share amounting to approximately HK$87,176,000 during the six months ended 30 June 2019 (six months ended 30 June 2018: 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).

The directors of the Company have declared 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 2019 (six months ended 30 June 2018: declared an interim dividend of HK$0.005 per share amounting to approximately HK$29,059,000) and such interim dividend will be paid in cash on or about Monday, 30 September 2019 to shareholders of the Company whose names appear on the register of members of the Company on Monday, 16 September 2019.

9. LOSS PER SHARE

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

Loss

	Six months ended	
	30.6.2019	30.6.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to equity shareholders of the Company, for the purpose of basic and diluted loss per share	**(198,674)**	(200,502)

Number of shares

	Six months ended	
	30.6.2019	30.6.2018
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares, for the purpose of basic and diluted loss per share	**5,811,766,282**	2,905,883,141

Note:

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the six months ended 30 June 2018 has been adjusted to reflect the effect of rights issue during the year ended 31 December 2018 but there is no impact on the respective calculation before the date of rights issue as there is no bonus element in such rights issue.

The computation of diluted loss per share for the six months ended 30 June 2019 and 2018 did not assume the exercise of certain share option since their assumed exercise would have an anti-dilutive effect on the basic loss per share amount presented.

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The movements of right-of-use assets and lease liabilities within HKFRS 16 during the period are set out below.

	Note	**Right-of-use assets** *HK$'000*	**Lease liabilities** *HK$'000*
As at 1 January 2019			
Adoption of HKFRS 16	*2*	8,874	8,874
Additions		4,118	4,118
Depreciation		(4,344)	–
Imputed interest expenses		–	206
Lease payments		–	(4,480)
At 30 June 2019		8,648	8,718
Current		–	6,594
Non-current		8,648	2,124
		8,648	8,718

The operating lease expenses on short-term leases and leases of low-value assets recognised in profit or loss during the six months ended 30 June 2019 amounted to approximately HK$1,254,000.

11. FINANCIAL ASSETS AT FVOCI

	Note	30.6.2019	31.12.2018
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Designated FVOCI			
Equity securities – listed			
Listed in Hong Kong		**2,101,764**	1,165,840
Listed in the United States		**97,857**	104,645
		2,199,621	1,270,485
Equity securities – unlisted	*(a)*	**691,469**	682,602
		2,891,090	1,953,087
Mandatory FVOCI			
Debt securities listed in Singapore		**19,355**	–
		2,910,445	1,953,087

Note:

(a) As at 30 June 2019, the amount represented the investments in unlisted equity securities issued by private entities. Included in the unlisted investments as at 30 June 2019, the Group held approximately 2.95% (31 December 2018: 2.95%) of the share capital of Co-Lead Holdings Limited ("Co-Lead") amount of HK$85,281,000 (31 December 2018: HK$110,708,000) and 6.98% (31 December 2018: 10.34%) of the issued shares of Satinu Resources Group Ltd. ("Satinu") amount of HK$496,813,000 (31 December 2018: HK$406,083,000), which are unlisted private 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.

12. INTERESTS IN ASSOCIATES

	30.6.2019	31.12.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unlisted shares		
Shares of net assets	**61,183**	5,088
Goodwill	**615**	119
	61,798	5,207

As at 31 December 2018, interests in associates represented the Group's interests in 25% of the issued ordinary share capital of Eternal Billion Holding Group Limited and Topwish Holdings Limited.

On 30 April 2019, the Group entered into a subscription agreement with Liberty Capital Limited ("Liberty"), an independent third party incorporated in Cayman Islands, to subscribe 440 newly issued shares of Liberty at a consideration of HK$59,840,000 which was settled by cash. Liberty and its subsidiaries principally engage in investment holding, securities brokerage and financial services, dealing in future contracts, asset management services, money lending and property holding in Hong Kong. The transaction was completed on the same day. The Group has 30.56% equity interests in Liberty at the date of acquisition.

On 14 May 2019, Liberty has issued 360 shares to a third party investor at a consideration of HK$48,960,000. Upon the completion of the share subscription, the Group's equity interests in Liberty has reduced from 30.56% to 24.45%, resulting in a gain on deemed disposal of HK$325,000.

13. TRADE, LOAN AND OTHER RECEIVABLES

	Note	30.6.2019 *HK$'000* (Unaudited)	31.12.2018 *HK$'000* (Audited)
Trade receivables			
Trade receivables arising from the business of securities brokerage			
– cash clients		**88**	83
– margin clients	*(b)*	**351,480**	241,301
– brokers		**1,420**	–
– Hong Kong Securities Clearing Company Limited ("HKSCC")	*(c)*	**3,570**	22,768
– others		**125**	–
	(a)	**356,683**	264,152
Trade receivable arising from the provision of corporate finance advisory services		**350**	10
		357,033	264,162
Loan receivables			
Loan and interest receivables from independent third parties		**871,510**	340,367
Less: Loss allowance		**(80,030)**	(9,945)
	(d)	**791,480**	330,422
Less: Non-current portion		**(68,860)**	(22,098)
Current portion		**722,620**	308,324
Other receivables			
Deposits with securities brokers	*(e)*	**10,946**	55,421
Other receivable from non-controlling shareholder		**–**	60,000
Other receivables, deposits and prepayments		**51,730**	21,355
		62,676	136,776
		1,142,329	709,262

Notes:

(a) No aging analysis by invoice date is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of securities brokerage business.

(b) Trade receivables from margin clients are repayable on demand and bear interest ranging from 8% to 30% (31 December 2018: 8% to 30%) per annum at the end of the reporting period. The loans are secured by pledged marketable securities with a total fair value of approximately HK$813,809,000 (31 December 2018: HK$1,376,032,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group.

(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$190,673,000 (31 December 2018: HK$14,918,000) which are secured by the pledge of certain collaterals and personal guarantees, bearing interest ranging from 5% to 48% (31 December 2018: 5% to 48%) per annum and have contractual loan period between 3 months and 12 years (31 December 2018: between 6 months and 12 years) under the Group's money lending operation. The remaining balance of approximately HK$600,807,000 (31 December 2018: HK$315,504,000) include both fixed and variable rate loan advances to independent third parties which are unsecured, bearing interest ranging from 5% to 36% (31 December 2018: 5% to 15%) per annum and not overdue as at the end of reporting period. The contractual loan period for majority of the remaining balance is between 2 months and 5 years (31 December 2018: between 3 months and 3 years).

    The amount granted to individuals and corporates depends on management's assessment of credit risk of 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. During the period ended 30 June 2019, the Group recognised an impairment loss in respect of loan receivables of HK$70,085,000 (six months ended 30 June 2018: HK$ Nil).

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

	30.6.2019 *HK$'000* (Unaudited)	31.12.2018 *HK$'000* (Audited)
Not yet past due	**729,584**	330,357
Less than 1 month past due	**2,617**	–
1 to 3 months past due	**32,970**	–
4 to 6 months past due	**26,254**	–
Over 12 months past due	**55**	65
At the end of the reporting period	**791,480**	330,422

The Group has concentration of credit risk on loans to independent third parties as 40% and 77% (31 December 2018: 30% and 95%) of the total loans was due from the Group's largest borrower and the five largest borrowers as at 30 June 2019 respectively, within the money lending segment. These loans to independent third parties are due from individuals and corporates without previous default records. Management of the Group monitors the exposure from time to time to assess their recoverability.

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

14. PROMISSORY NOTE RECEIVABLE

The amount represented a zero-coupon promissory note issued to an independent third party on 18 January 2018 which is at principal amount of HK$200,000,000 maturing on 31 December 2019. During the six months ended 30 June 2019, an early repayment of HK$50,000,000 (six months ended 30 June 2018: Nil) was received and the Group recognised interest income of approximately HK$4,833,000 (six months ended 30 June 2018: approximately HK$6,470,000). At the end of the reporting period, the carrying amount of the promissory note receivable was approximately HK$147,062,000.

15. FINANCIAL ASSETS AT FVPL

	Note	**30.6.2019**	31.12.2018
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Mandatorily measured at FVPL:			
– Listed shares in Hong Kong		**2,139,182**	2,328,186
– Listed shares in the People's Republic of China (the "PRC")		**–**	201,426
– Unlisted investment funds	*(a)*	**69,527**	55,738
– Unlisted convertible notes	*(b)*	**40,500**	–
		2,249,209	2,585,350

Notes:

(a) 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.

(b) The unlisted convertible notes are subscribed from an independent third party at a consideration of HK$40,500,000 on 18 June 2019. The convertible notes is bearing coupon interest rate of 8.5% per annum in a principal amount of HK$81,000,000 which will mature on 31 December 2020. Based on conversion price of HK$0.05 per share, the Group could convert into a maximum of 1,620,000,000 ordinary shares of the issuer.

The Group has engaged an independent professional valuer to estimate the fair value of the convertible notes at the date of purchase. The difference between the fair value at purchase date based on the valuation performed by valuer and the transaction price was approximately HK$38,380,000 which was adjusted to deferred day-one gain. Subsequently, that difference should be recognised in profit or loss on an appropriate basis over the life of the instrument.

Since the convertible notes were purchased near the period end, the management assumes the deferred day-one gain to be recognised during the period from the date of purchase to the reporting date is not significant.

	HK$'000
Fair value at date of purchase	78,880
Deferred day-one gain	(38,380)
At 30 June 2019 (Unaudited)	**40,500**

16. TRADE AND OTHER PAYABLES

	Note	30.6.2019 *HK$'000* (Unaudited)	31.12.2018 *HK$'000* (Audited)
Trade payables			
Trade payables arising from the business of securities brokerage			
– cash clients	*(a)*	**1,240**	24,169
– margin clients	*(a)*	**164,054**	6,520
– brokers		**385**	–
Secured margin loans from securities brokers	*(b)*	**399,433**	460,944
		565,112	491,633
Other payables			
Other payables and accrued charges		**21,234**	18,627
		586,346	510,260

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) 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 the prevailing market interest rate (31 December 2018: from 3.59% to 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$1,768,654,000 (31 December 2018: HK$1,717,626,000) as at 30 June 2019.

17. PROMISSORY NOTE PAYABLE

The amount represented a zero-coupon promissory note issued by an independent third party on 24 July 2018 which is at principal amount of HK$200,000,000 maturing on 30 June 2019. During the six months ended 30 June 2019, the Group has made partial repayment of HK$100,000,000 and recognised interest expenses of approximately HK$6,230,000 for the promissory note. On 24 June 2019, the repayment date of the remaining note at principal amount of HK$100,000,000 was extended to 30 September 2019.

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 six months ended 30 June 2019, the Group's positive revenue amounted to approximately HK$205.6 million, compared with the negative revenue of approximately HK$259.8 million for the same period last year. Loss for the six months ended 30 June 2019 amounted to approximately HK$198.7 million compared with the loss of approximately HK$225.3 million for the same period last year. Basic loss per share amounted to HK3.42 cents compared with loss per share of HK6.9 cents for the same period last year. The loss was mainly attributable to net unrealised fair value loss on financial assets at FVPL.

Brokerage Services

Brokerage commission income generated from provision of securities brokerage services amounted to approximately HK$1.1 million for the six months ended 30 June 2019 (six months ended 30 June 2018: approximately HK$0.4 million).

Interest income generated from provision of margin financing services amounted to approximately HK$29.1 million for the six months ended 30 June 2019 (six months ended 30 June 2018: approximately HK$1.5 million).

Money Lending

Interest income from provision of money lending services amounted to approximately HK$23.2 million for the six months ended 30 June 2019 (six months ended 30 June 2018: approximately HK$13.1 million).

Corporate Finance

Corporate finance advisory fees increased by approximately 33.3% to approximately HK$0.4 million as compared to approximately HK$0.3 million in the same period last year.

Proprietary Trading

The Group engages in proprietary trading of listed securities, unlisted convertible notes and unlisted investment funds, which are classified as financial assets at FVPL. The fair value of the portfolio amounted to approximately HK$2,249.2 million (31 December 2018: approximately HK$2,585.4 million), with a net gain on sales of financial assets at FVPL of approximately HK$103.5 million was recognised, as compared to a net loss of approximately HK$285.3 million in the same period last year. Dividend income increased by approximately 536.5% to approximately HK$40.1 million for the six months ended 30 June 2019, when compared to approximately HK$6.3 million in the same period last year, which was mainly due to more dividends received by the Group from listed securities.

SIGNIFICANT INVESTMENTS

During the period, 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 30 Jun 2019	Percentage of shareholding as at 31 Dec 2018	Market value as at 30 Jun 2019	Market value as at 31 Dec 2018	Net gain (loss) for the period ended 30 Jun 2019	Net gain (loss) for the period ended 30 Jun 2018
		%	*%*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Designated FVOCI							
Unlisted shares in overseas							
– Satinu Resources Group Ltd.	1	6.98	10.34	496,813	406,083	90,730	13,365
– Freewill Holdings Limited	2	7.71	7.71	20,996	57,209	(36,213)	14,953
– Co-Lead Holdings Limited	3	2.95	2.95	85,281	110,708	(25,427)	16,263
Listed shares in Hong Kong							
– Shengjing Bank Co., Ltd. (stock code: 2066)	4	12.33	12.33	1,111,500	647,900	463,600	(267,900)

Name of investments	Notes	Percentage of shareholding as at 30 Jun 2019	Percentage of shareholding as at 31 Dec 2018	Market value as at 30 Jun 2019	Market value as at 31 Dec 2018	Net gain (loss) for the period ended 30 Jun 2019	Net gain (loss) for the period ended 30 Jun 2018
		%	*%*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets at FVPL							
Listed shares							
– Evergrande Health Industry Group Limited (stock code: 708)	5	1.38	1.38	1,005,683	1,224,413	(218,730)	324,802
– C C Land Holdings Limited (stock code: 1224)	6	4.79	3.54	336,480	259,662	(12,753)	1,668
– Asia Standard International Group Limited (stock code: 129)	7	3.09	3.09	60,448	55,547	4,901	(4,493)
– Newton Resources Ltd. (stock code: 1231)	8	2.18	2.18	80,914	81,784	(870)	(19,090)
– Larry Jewelry International Co. Limited (stock code: 8351)	9	3.55	3.55	3,215	5,015	(1,800)	(30,216)

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 are principally engaged 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 the current low interest rate environment, Satinu has a strategic investment value.

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

   FHL principally engages in securities trading and investment holding businesses.

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

   Co-Lead principally engages 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 principally 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. **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 and "Internet+" community health management, international hospitals, elderly care and rehabilitation, medical cosmetology and anti-ageing.

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

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

7. **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.

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

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

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

   Larry Jewelry and its subsidiaries principally 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 the year of 2019, as the economies continue to show signs of slowing down and being dependent on external factors such as Sino-US trade conflicts and Brexit negotiation.

FINANCIAL POSITION

The Group's certain bank balances are denominated in USD and RMB in amount of HK$0.8 million and HK$137.7 million respectively. The Group's financial services business is not exposed to significant foreign exchange risk as most of the transactions are denominated in HK$. No financial instruments were used for hedging purposes.

Capital commitments

As at 30 June 2019, the Group had no capital commitments that have not been provided in the Group's consolidated financial statements.

EVENT AFTER THE REPORTING PERIOD

The Company has no material event after the reporting period.

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 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 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, 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 as of the date of this interim report 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.

As the Writs have not been served on the Defendant Parties, accordingly no provision has been made in the consolidated financial statements for the six months ended 30 June 2019. 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.

OVERVIEW

With the deceleration in economic growth momentum as well as the uncertainties from the Sino-US trade conflicts and the Brexit negotiations, the first half of 2019 has proved to be challenging in Hong Kong and A share markets. In addition, the latest economic figures of Hong Kong as of 30 June 2019 showed a decline in real GDP growth, an elevated inflation rate and a negative growth in retail sector, implying more downward pressure to the financial market.

OUTLOOK

The outlook for the second half of year 2019 will continue to be dependent on external factors like the Sino-US trade conflicts and the Brexit negotiations. The impact of the recent political and social unrest in Hong Kong is also expected to adversely affect the market sentiments of the investing public and the Hong Kong economy as a whole. This further strengthens the Group's intention to explore potential investment opportunities in fintech, lifestyle, real estate and integrated resort projects in other regions. Accordingly, the Group will continue to maintain a balanced approach to asset allocation with appropriate risk and potential reward; and the management will maintain strict oversight of operation costs in view of the volatile business environment.

In addition, the Group's financial services arm will continue to adopt prudent capital management and liquidity risk management to meet the challenges ahead, as well as the increasing regulatory and supervisory requirements.

INTERIM DIVIDEND

The Board has resolved the payment of an interim dividend of HK$0.005 per share for the six months ended 30 June 2019 (six months ended 30 June 2018: HK$0.005 per share), amounting to approximately HK$29.1 million, to the shareholders of the Company whose names appeared on the Company's register of members on 16 September 2019. The interim dividend will be paid on 30 September 2019.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Thursday, 12 September 2019 to Monday, 16 September 2019, both days inclusive, during which period no transfers of shares will be registered. In order to be eligible for the entitlement to the interim 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, 11 September 2019.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group employed 41 full time employees for its principal activities. The Group recognises 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 for the six months ended 30 June 2019.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance. The Company confirms that it has complied with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the six months ended 30 June 2019.

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**") as 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 six months ended 30 June 2019, 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. As at the date of this announcement, the Audit Committee comprises three independent non-executive directors. Currently, the members of the Audit Committee are Messrs. Cheung Wing Ping, Hung Cho Sing and 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 interim results of the Group for the six months ended 30 June 2019 had not been audited, but had been reviewed by the Company's auditor, Mazars CPA Limited and the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

By Order of the Board
Oshidori International Holdings Limited
Sam Nickolas David Hing Cheong
Chairman

Hong Kong, 28 August 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