

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Easy One Financial Group Limited
易易壹金融集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 221)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Easy One Financial Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2019 (the “**First Half of 2019**” or the “**Period**”), together with the comparative figures for the corresponding period in 2018 (the “**Prior Period**”). The unaudited condensed consolidated interim financial statements have been reviewed by the audit committee (the “**Audit Committee**”) of the Company.

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

For the six months ended 30 September 2019

		For the six months ended	
		30 September	
		2019	2018
	<i>Notes</i>	(Unaudited)	(Unaudited)
		<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	62,105	68,362
Cost of sales		(171)	(584)
		<hr/>	<hr/>
Gross profit		61,934	67,778
Other revenue and gain	4	22,621	20,714
Selling and distribution expenses		(1,963)	(4,629)
Net impairment loss	5	(3,418)	(6,293)
Administrative expenses		(34,265)	(40,479)
		<hr/>	<hr/>
Operating profit		44,909	37,091
Finance costs	6	(11,229)	(13,829)
Net gain on disposal of subsidiaries		1,094	72,681
Net (loss)/gain on financial assets at fair value through profit or loss		(1,055)	2,351
Share of results of an associate		1,653	(17,595)
		<hr/>	<hr/>
Profit before taxation	7	35,372	80,699
Taxation	8	(4,608)	(3,308)
		<hr/>	<hr/>
Profit for the period		30,764	77,391
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Continued)**

For the six months ended 30 September 2019

		For the six months ended	
		30 September	
		2019	2018
	<i>Notes</i>	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Other comprehensive loss, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange fluctuation reserve reclassified to profit or loss upon disposal of subsidiaries		(1,094)	(52,293)
Share of changes in other comprehensive loss in an associate		(739)	(9,455)
Exchange differences on translation of financial statements of overseas subsidiaries		(17,181)	(24,244)
		(19,014)	(85,992)
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Change in financial assets at fair value through other comprehensive income		(2,314)	(12,236)
Other comprehensive loss for the period, net of tax		(21,328)	(98,228)
Total comprehensive income/(loss) for the period attributable to owners of the Company		9,436	(20,837)
Earnings per share attributable to owners of the Company for the period			
— Basic and diluted	9	HK5.53 cents	HK13.91 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	<i>Notes</i>	As at 30 September 2019 (Unaudited) <i>HK\$ '000</i>	As at 31 March 2019 (Audited) <i>HK\$ '000</i>
Non-current assets			
Property, plant and equipment		506	1,557
Interest in an associate		244,763	243,849
Loan receivables	11	68,820	100,163
Right-of-use assets		7,806	—
Financial assets at fair value through profit or loss		100,496	100,477
Financial assets at fair value through other comprehensive income		46,728	49,383
Intangible assets		95	95
Deposit paid		1,000	1,000
		470,214	496,524
Current assets			
Stock of properties		349,141	372,218
Loan receivables	11	546,060	548,314
Account receivables	12	94,677	106,965
Prepayments, deposits and other receivables		23,303	23,362
Financial assets at fair value through profit or loss		3,100	4,180
Financial assets at fair value through other comprehensive income		19,532	19,191
Cash and bank balance held in segregated accounts		8,972	13,261
Time deposits		1,212	1,070
Cash and bank balances		104,832	72,740
		1,150,829	1,161,301
Less: Current liabilities			
Account payables	13	20,123	22,249
Deposits received, accruals and other payables		81,348	94,089
Lease liabilities		3,790	—
Tax payable		73,958	69,353
Bank and other loans		258,396	287,980
		437,615	473,671
Net current assets		713,214	687,630
Total assets less current liabilities		1,183,428	1,184,154

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

As at 30 September 2019

	As at 30 September 2019 (Unaudited) <i>HK\$'000</i>	As at 31 March 2019 (Audited) <i>HK\$'000</i>
Less: Non-current liabilities		
Bank and other loans	55,822	—
Lease liabilities	4,016	—
Loans from related company	—	70,000
	<u>59,838</u>	<u>70,000</u>
Net assets	<u>1,123,590</u>	<u>1,114,154</u>
Capital and reserves		
Share capital	5,564	5,564
Reserves	1,118,026	1,108,590
	<u>1,123,590</u>	<u>1,114,154</u>
Total equity	<u>1,123,590</u>	<u>1,114,154</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with Hong Kong Accounting Standard (the “**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The unaudited condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 March 2019, which has been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”).

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimate uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2019.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis. In the First Half of 2019, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (the “**new and revised HKFRSs**”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 April 2019.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle
HKFRS 9 (Amendments)	Clarification to HKFRS 9 Financial Instrument
HKFRS 16	Leases
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Investments in associates and joint ventures
HK (IFRIC) — Int 23	Uncertainty over income tax treatments

The adoption of the above new and revised standards has had no significant financial effect on the unaudited condensed consolidated interim financial statements, except as described below.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

Impacts and changes in accounting policies of application on HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the First Half of 2019. HKFRS 16 superseded HKAS 17 “Leases” (“HKAS 17”), and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premises that have a lease term of 12 months or less from the date of initial application of HKFRS 16. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

Impacts and changes in accounting policies of application on HKFRS 16 “Leases” *(Continued)*

As a lessee (Continued)

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 “Financial Instruments” (“**HKFRS 9**”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

Impacts and changes in accounting policies of application on HKFRS 16 “Leases” *(Continued)*

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be paid by the lessee under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

Impacts and changes in accounting policies of application on HKFRS 16 “Leases” *(Continued)*

As a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

Definition of a lease (Continued)

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the practical expedient to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts.

As at 1 April 2019, the Group has non-cancellable operating leases in respect of rental of office. The remaining terms of these operating leases were less than 12 months. The Group has accounted for these leases as short-term leases under the practical expedient permitted by HKFRS 16.

The following table reconciles the operating lease commitment as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	1 April 2019 <i>HK'000</i>
Operating lease commitments disclosed as at 31 March 2019	2,646
Less: Short-term leases with remaining lease term ending on or before 31 March 2020	(2,646)
	<hr/>
Lease liabilities recognised as at 1 April 2019	<hr/> <hr/> <u>—</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the Period:

	Right-of-use assets (Unaudited) <i>HK\$ '000</i>	Lease liabilities (Unaudited) <i>HK\$ '000</i>
As at 1 April 2019	—	—
Additions	7,806	7,806
	<hr/>	<hr/>
As at 30 September 2019	<u>7,806</u>	<u>7,806</u>

The Group applies judgement to determine the lease term for lease contracts in which it is a lessee that include renewal option. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective in the Period.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable segments for the six months ended 30 September 2019 and 2018, respectively:

2019

	Provision of finance business operation HK\$'000	Provision of brokerage services operation HK\$'000	Property development operation HK\$'000	Total HK\$'000
Segment revenue	51,135	7,375	3,595	62,105
Segment results	32,058	580	11,406	44,044
Unallocated interest income and gain				8,486
Corporate and other unallocated expenses				(7,621)
Finance costs				(11,229)
Net gain on disposal of subsidiaries				1,094
Net loss on financial assets at fair value through profit or loss				(1,055)
Share of results of an associate				1,653
Profit before taxation				35,372

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. SEGMENT INFORMATION (Continued)

2018

	Provision of finance business operation <i>HK\$'000</i>	Provision of brokerage services operation <i>HK\$'000</i>	Property development operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	50,470	11,323	6,569	68,362
Segment results	23,647	3,086	11,436	38,169
Unallocated interest income and gain				6,595
Corporate and other unallocated expenses				(7,673)
Finance costs				(13,829)
Net gain on disposal of subsidiaries				72,681
Net gain on financial assets at fair value through profit or loss				2,351
Share of results of an associate				(17,595)
Profit before taxation				80,699

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the Period (six months ended 30 September 2018: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. REVENUE AND OTHER REVENUE AND GAIN

Revenue represents interest income earned, commission and fee income from brokerage services and sales of stock of properties. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's revenue and other revenue and gain for the Period is as follows:

	For the six months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers		
within the scope of HKFRS 15		
<i>Recognised at a point in time</i>		
Commission and fee income from brokerage services	1,441	3,027
Placing and underwriting commission	793	1,682
Consultancy fee income	—	850
Sales of stock of properties	3,595	6,569
	<u>5,829</u>	<u>12,128</u>
<i>Revenue from other sources</i>		
Interest income from loan financing	51,135	50,470
Interest income from brokerage financing	5,141	5,764
	<u>62,105</u>	<u>68,362</u>
	<u><u>62,105</u></u>	<u><u>68,362</u></u>
Other revenue and gain		
Rental income	11,163	11,020
Interest income on bank deposits	33	62
Interest income on convertible notes	3,861	3,873
Interest income from cash clients	671	1,867
Dividend income on listed securities	4,617	2,655
Handling fee	47	163
Bad debts recovery	305	—
Sundry income	1,924	1,074
	<u>22,621</u>	<u>20,714</u>
	<u><u>22,621</u></u>	<u><u>20,714</u></u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. NET IMPAIRMENT LOSSES

	For the six months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net impairment losses on loan receivables	3,507	5,738
Reversal of impairment losses on account receivables	(315)	—
Net impairment losses on interest receivables	226	555
	<hr/>	<hr/>
	3,418	6,293
	<hr/> <hr/>	<hr/> <hr/>

6. FINANCE COSTS

	For the six months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on interest-bearing bank loans wholly repayable within five years	2,976	4,792
Interest on interest-bearing loans wholly repayable within five years	8,253	9,037
	<hr/>	<hr/>
	11,229	13,829
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. PROFIT BEFORE TAXATION

	For the six months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation is stated at after charging/(crediting):		
Cost of completed properties sold and other taxes and levies	171	584
Commission paid to brokers and others	1,727	3,530
Depreciation of owned property, plant and equipment	957	2,184
Exchange loss	15	26
Minimum lease payments under operating leases for land and buildings	2,313	4,010
Net loss/(gain) on financial assets at fair value through profit or loss	1,055	(2,351)
Net loss on disposal of property, plant and equipment	80	—
	<u> </u>	<u> </u>

8. TAXATION

For the six months ended 30 September 2019, Hong Kong profits tax was calculated at 16.5% on the estimated assessable profits. Under the two-tiered profits tax rate regime which was introduced by the Inland Revenue (Amendment) (No.7) Bill 2017 (“**Bill**”), the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5% (six months ended 30 September 2018: 16.5%).

The PRC corporate income tax has been provided at the rate of 25% (six months ended 30 September 2018: 25%) on the estimated assessable profits arising in the PRC during the Period.

	For the six months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current taxation:		
— Hong Kong profits tax	4,608	3,308
— PRC corporate income tax	—	—
	<u> </u>	<u> </u>
Total tax charge for the period	<u>4,608</u>	<u>3,308</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 September	
	2019 (Unaudited)	2018 (Unaudited)
Profit for the period attributable to owners of the Company (<i>HK\$ '000</i>)	<u>30,764</u>	<u>77,391</u>
Weighted average number of ordinary shares in issue of basic earnings per share (<i>'000</i>)	<u>556,432</u>	<u>556,432</u>
Basic and diluted earnings per share (<i>HK cents</i>)	<u>5.53</u>	<u>13.91</u>

During the six months ended 30 September 2019 and 2018, there were no dilutive potential ordinary shares in issue.

10. DIVIDEND

The Directors do not recommend the payment of interim dividend for the periods ended 30 September 2019 and 2018.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. LOAN RECEIVABLES

	As at 30 September 2019 (Unaudited) <i>HK\$'000</i>	As at 31 March 2019 (Audited) <i>HK\$'000</i>
Loan receivables:		
Within one year	549,949	552,117
Two to five years	48,538	57,475
Over five years	24,393	44,842
	<u>622,880</u>	<u>654,434</u>
Less: Provision for impairment assessment of loan receivables	<u>(8,000)</u>	<u>(5,957)</u>
	<u>614,880</u>	<u>648,477</u>
Carrying amount analysed for reporting purpose:		
Current assets	546,060	548,314
Non-current assets	68,820	100,163
	<u>614,880</u>	<u>648,477</u>

The Group's loan receivables which arise from the money lending business of providing property mortgage loans, personal loans and corporate loans in Hong Kong are denominated in Hong Kong dollars.

Before approving any loans to new borrowers, the Group has assessed the potential borrower's credit quality and defined credit limits individually. The Group has policy for allowance of doubtful debts which is based on the evaluation of collectability and ageing analysis of accounts and on management's judgment, including the current creditworthiness, collaterals and the past collection history of each client.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. ACCOUNT RECEIVABLES

	As at 30 September 2019 (Unaudited) <i>HK\$'000</i>	As at 31 March 2019 (Audited) <i>HK\$'000</i>
Account receivables arising from the ordinary course of business of dealing in securities:		
— Cash clients	4,181	13,198
— Margin clients	88,719	89,660
— Clearing houses	2,003	4,647
	<u>94,903</u>	<u>107,505</u>
Less: Provision of impairment assessment of account receivables	<u>(226)</u>	<u>(540)</u>
	<u>94,677</u>	<u>106,965</u>

The settlement terms of account receivables arising from the business of dealing in securities are two days after trade date. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Cash clients overdue balances are reviewed regularly by senior management. The Group does not hold any collateral over these balances.

No ageing analysis of margin clients is disclosed as in the opinion of the executive directors of the Company, the ageing analysis does not give additional value in the view of the nature of this business.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. ACCOUNT RECEIVABLES (Continued)

The ageing analysis of the remaining account receivables as at the end of the reporting period, based on settlement or invoice date, net of impairment is as follows:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Current	3,018	5,941
Within 30 days	1,700	2,521
31 to 90 days	697	650
Over 90 days	769	8,733
	<u>6,184</u>	<u>17,845</u>

13. ACCOUNT PAYABLES

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Clients	17,554	22,012
Clearing houses	2,569	237
	<u>20,123</u>	<u>22,249</u>

The settlement terms of account payables arising from the business of dealing in securities are two days after trade date. No ageing analysis is disclosed as in the opinion of the executive directors of the Company, the ageing analysis does not give additional value in the view of the nature of this business.

Included in account payables as at 30 September 2019, amounts of approximately HK\$9,009,000 (31 March 2019: approximately HK\$13,381,000) were payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of conducting the regulated activities. However, the Group currently does not have an enforceable right to offset these account payables with the deposit placed.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Period (six months ended 30 September 2018: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS REVIEW

During the Period, the Group was principally engaged in the businesses of the provision of finance and securities brokerage services in Hong Kong and property development in the People's Republic of China (the "PRC"). For the First Half of 2019, the Group's revenue amounted to approximately HK\$62.1 million (six months ended 30 September 2018: approximately HK\$68.4 million), representing a decrease of approximately HK\$6.3 million compared to the Prior Period, of which the revenue generated from provision of finance business in Hong Kong amounted to approximately HK\$51.1 million (six months ended 30 September 2018: approximately HK\$50.5 million), revenue generated from securities brokerage services in Hong Kong amounted to approximately HK\$7.4 million (six months ended 30 September 2018: approximately HK\$11.3 million) and revenue generated from property sales in the PRC amounted to approximately HK\$3.6 million (six months ended 30 September 2018: approximately HK\$6.6 million).

The Group reported net profit after tax attributable to owners of the Company of approximately HK\$30.8 million for the Period (six months ended 30 September 2018: approximately HK\$77.4 million). The Group reported a decrease in the net profit after tax attributable to owners of the Company for the Period which was primarily due to a significant decrease in gain on disposal of subsidiaries, as offset by a reduction in the share of loss of an associate as compared to the Prior Period.

OPERATION AND BUSINESS REVIEW

Provision of Finance Business

Despite the low unemployment rate in Hong Kong, the United States (the “US”) and China trade friction and the recent social instability in Hong Kong pose enormous challenges for the Group’s provision of finance business segment in the First Half of 2019. Facing the severe headwind towards the financing business, the Group continued to reinforce its risk management policy and tighten the loan monitoring process. The overall loan portfolio of the Group as at 30 September 2019 was approximately HK\$614.9 million, representing a decrease of approximately 5.2% compared to the balance of approximately HK\$648.5 million as at 31 March 2019. Although the overall market sentiment and the Group’s business strategy has limited the further expansion of the Group’s loan portfolio since last year end, the Group still achieved a slight growth in the revenue to approximately HK\$51.1 million (six months ended 30 September 2018: approximately HK\$50.5 million).

Although the Group can still maintain stable income growth, a series of challenges has impeded on the growth, including the keen market competition, intense price war on interest margin, volatile property market price and the continuous social unrest in Hong Kong. The above factors have created uncertainties in its loan businesses. In light of the above, the Group will continue to adopt its prudent credit policy and risk management approach with a view to generating a sustainable and stable income growth.

Securities Brokerage Services Business

Easy One Securities Limited, a wholly-owned subsidiary of the Company, is licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Trading in the Hong Kong securities market continued to languish during the Period. Investor sentiment had been fragile due to the intensified trade tension between the US and China as well as the uncertainties of the “Brexit” and the continuous social instability in Hong Kong. All these created a downward momentum to the Hong Kong stock market and significantly impacted the Group’s brokerage activities and margin financing businesses. The Group recorded revenue of approximately HK\$7.4 million from its securities brokerage services, representing a decrease of 34.5% as compared with approximately HK\$11.3 million in the Prior Period. The commission and fee income from brokerage services and brokerage financing interest revenue both recorded a drop, to approximately HK\$1.4 million (six months ended 30 September 2018: approximately HK\$3.0 million) and approximately HK\$5.1 million (six months ended 30 September 2018: approximately HK\$5.8 million), respectively.

Property Development Business

The Group disposed of the property development project in Fuzhou, Jiangxi Province, the PRC at an aggregate consideration of Renminbi (“RMB”) 1.0 million and recorded a gain in the consolidated statement of profit or loss of approximately HK\$72.8 million in the Prior Period. After the disposal, the remaining property project held by the Group is the commercial complex in Dongguan, Guangdong Province, the PRC (the “**Dongguan Project**”), details of which are as follows:

Address	Percentage ownership/ interest	Approximate site area (square feet)	Approximate saleable area (square feet)	Development Plan
Ling Shang Tian Di, North of National Highway No. 107 Ai Ling Kan Village, Dalingshan Town, Dongguan City, Guangdong Province, the PRC	100%	200,000	400,000	Commercial complex

Over 98% of the leasable area of the Dongguan Project was leased out as at 30 September 2019. The Group’s income from property leasing for the Period was approximately HK\$11.2 million (six months ended 30 September 2018: approximately HK\$11.0 million).

Liquidity and Financial Resources

The Group's total assets as at 30 September 2019 were approximately HK\$1,621 million (31 March 2019: approximately HK\$1,658 million) which were financed by total liabilities of approximately HK\$497 million (31 March 2019: approximately HK\$544 million) and total equity of approximately HK\$1,124 million (31 March 2019: approximately HK\$1,114 million). The current ratio as at 30 September 2019 was approximately 2.6 times (31 March 2019: approximately 2.5 times).

As at 30 September 2019, the Group's total borrowings amounted to approximately HK\$314 million (31 March 2019: approximately HK\$358 million), which were denominated in Hong Kong Dollar and RMB. The gearing ratio was calculated by reference to the Group's total borrowings net of cash and cash equivalents and the total equity of the Group. As at 30 September 2019, the gearing ratio was approximately 18.5% (31 March 2019: approximately 25.5%).

Exposure to Fluctuation in Exchange Rates

The revenue, bank deposits and operating costs of the Group are mainly denominated in Hong Kong Dollar and RMB. The Group did not enter into or have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 30 September 2019. Due to the currency fluctuation of RMB, the Group had been considering alternative risk hedging tools to mitigate RMB currency exchange risk.

EMPLOYEES AND REMUNERATION POLICY

The Group aims to recruit, retain and develop competent individuals who are committed to its long-term success and growth. Remunerations and other benefits of employees are reviewed periodically in response to both market conditions and trends, and are based on qualifications, experience, responsibilities, competence, skills and performance of the relevant employees.

As at 30 September 2019, the Group had a total of 86 employees (31 March 2019: 104), in which 50 employees were based in Hong Kong and 36 employees were based in the PRC (31 March 2019: 59 employees were based in Hong Kong and 45 employees were based in the PRC).

The Group provides medical insurance and participates in the Mandatory Provident Fund Scheme for employees in Hong Kong, who are eligible to participate, and provides retirement contributions in accordance with the statutory requirements for employees in the PRC. The Group also adopts a performance-based reward system to motivate its staff and the system is reviewed on a regular basis by the management team. On 21 August 2012, the Company terminated the old share option scheme adopted on 8 October 2002 and adopted a new share option scheme (the “**Share Option Scheme**”) which became effective on 21 August 2012 in compliance with Chapter 17 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). During the Period, the Board did not grant any share option under the Share Option Scheme to any Director or eligible employee of the Group for the subscription of shares of the Company. As at 30 September 2019, there were 17,800,000 (31 March 2019: 17,800,000) share options that remained outstanding under the Share Option Scheme.

CONTINGENT LIABILITIES AND CHARGE ON ASSETS

As at 30 September 2019, the Group had no significant contingent liability (31 March 2019: nil).

As at 30 September 2019, (i) stock of properties with a carrying value of approximately HK\$250 million (31 March 2019: approximately HK\$271 million), (ii) a loan receivable with a carrying value of approximately HK\$215 million (31 March 2019: approximately HK\$200 million) and (iii) re-pledged securities collateral deposited by the Group’s margin clients with fair value of approximately HK\$80 million (31 March 2019: nil) were pledged to secure the Group’s banking and other loan facilities.

DEBT PROFILES AND FINANCIAL PLANNING

The interest-bearing debt profile of the Group as at 30 September 2019 was analysed as follows:

	Outstanding amount <i>(HK\$ million)</i>	Approximate annual effective interest rate <i>(per annum)</i>	Interest charging basis	Maturity date
Loans from financial institution	111.6	3.5% - 6.2%	Floating	From October 2019 to August 2022
Loan from non-financial institution	202.6	5.4% - 7.9%	Fixed/ Floating	From October 2019 to August 2020
Total	314.2			

In order to meet borrowing obligation and business operation funding needs, the Group had from time to time been considering various financing alternatives including, but not limited to, equity fund raising, borrowings from financial institution or non-financial institution, bonds issuance, convertible notes, and other debt financial instruments.

FINANCIAL ASSETS INVESTMENT HELD

The Group had financial assets at fair value through profit or loss investment of approximately HK\$103.6 million as at 30 September 2019 (31 March 2019: approximately HK\$104.7 million), details of which are set out as follows:

Nature of investments	As at 30 September 2019		Percentage of shareholding in such stock %	Percentage to the Group's net assets %	For the period ended 30 September 2019	Fair value/carrying amount		Investment cost
	Number of shares/units held '000	Amount (HK\$'million)			Net (loss)/gain on financial assets at Fair Value Through Profit or Loss (HK\$'million)	As at 30 September 2019 (HK\$'million)	As at 31 March 2019 (HK\$'million)	As at 30 September 2019 (HK\$'million)
A. Listed Investments								
Power Financial Group Limited	125	0.0	0.004	0.001	(0.0)	0.0	0.0	1.0
B. Mutual Funds								
HongHe Venture Fund I, L.P.	N/A	3.1	N/A	0.275	(1.1)	3.1	4.2	3.9
C. Unlisted Convertible Notes (CAP CN)								
China Agri-Products Exchange Limited (stock code: 149)	N/A	100.5	N/A	8.944	0.0	100.5	100.5	103
		<u>103.6</u>		<u>9.220</u>	<u>(1.1)</u>	<u>103.6</u>	<u>104.7</u>	<u>107.9</u>

CAPITAL COMMITMENT

The Group has no capital commitment as at 30 September 2019 (31 March 2019: nil).

TREASURY POLICY

The Group's treasury policy includes diversifying the funding sources. Generating cash flow internally and interest-bearing bank and other loans are the general sources of funds to finance the operation of the Group during the Period. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the subsidiaries of the Company and the CAP CN, there was no significant investments held, nor was there any material acquisition or disposal of subsidiaries during the Period. As at 30 September 2019, the Group did not have a concrete plan for material investments or capital assets nor acquisition or disposal of subsidiaries.

FUTURE PLANS AND PROSPECTS

The outlook for the global economy is tenuous, and the trade friction between the US and China imposes ongoing pressure on the two largest economies in the world. “Brexit” remains an overhang on the United Kingdom and European economies. The above adversities combined with the social instability in Hong Kong pose enormous challenges to the Group’s profitability. With the gathering headwinds in the global and local economies, the Group is prepared to implement periodic measures so as to manage the risk prudently to prepare for possible volatility in property price and the potential downward momentum of the economy. The Hong Kong stock market was volatile during the Period and is expected to remain turbulent throughout the remainder of the financial year. In spite of these uncertainties, the Group remains cautiously optimistic about the future and expects the provision of finance and the securities brokerage businesses will continue its growth in the long run.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Period.

CORPORATE GOVERNANCE

The Company complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules throughout the Period, except for the following deviation:

Code provision A.2.1

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Chan Chun Hong, Thomas (“**Mr. Chan**”) currently takes up both the roles of the chairman of the Company and managing Director. Mr. Chan has extensive executive and financial management experience and is responsible for the overall corporate planning, strategic policy making and management of operations of the Group which are of great value to the Group in enhancing its efficiency to cope with the dynamic business environment. The daily business operation of the Group is delegated to various experienced individuals under the supervision of Mr. Chan. Furthermore, the Board believes that a balance of power and authority is adequately maintained by the operation of the Board which comprises three executive Directors (including Mr. Chan) and three non-executive Directors with a balance of skills and experience appropriate for the further development of the Group.

The Company will continue to review and recommend such proposals, as appropriate, taking any deviation from the current structure and operation and other factors into consideration, in order to enhance the Company’s competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak, and is chaired by Mr. Sin Ka Man. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters including a review of the unaudited condensed consolidated interim financial statements of the Group for the Period.

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 its own code of conduct regarding securities transactions by Directors. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT

The interim results announcement is published on the websites of the Company (www.easyonefg.com) and the Stock Exchange (www.hkexnews.hk). The 2019 interim report of the Company will be despatched to the shareholders of the Company in the manners required by the Listing Rules and will be available on the above websites in due course.

By Order of the Board
EASY ONE FINANCIAL GROUP LIMITED
易易壹金融集團有限公司
Chan Chun Hong, Thomas
Chairman and Managing Director

Hong Kong, 21 November 2019

As at the date of this announcement, the executive Directors are Mr. Chan Chun Hong, Thomas, Mr. Cheung Wai Kai and Ms. Stephanie and the independent non-executive Directors are Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak.