GOOD RESOURCES

Good Resources Holdings Limited
天成國際集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 109)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

UNAUDITED CONSOLIDATED INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Good Resources Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2019 (the "Period") together with the comparative figures. The consolidated interim financial statements have not been audited, but have been reviewed by the Company's Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 31 December	
		2019	2018
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Turnover	3	**44,663**	42,618
Other revenue	4	**24,711**	16,035
Other net gains/ (losses)	4	**2,244**	(476)
Administrative expenses		**(37,487)**	(14,346)
Finance costs	5	**(1,859)**	–
Share of loss of a joint venture		**(747)**	(1,125)
Profit before taxation	6	**31,525**	42,706
Taxation	7	**(8,897)**	(9,779)
Profit for the Period		**22,628**	32,927

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Notes	For the six months ended 31 December 2019 (Unaudited) HK$'000	2018 (Unaudited) HK$'000
Other comprehensive loss that may be subsequently reclassified to profit or loss			
— Fair value adjustment on financial assets at fair value through other comprehensive income		**(4,485)**	(13,994)
— Exchange differences arising on translation of foreign operations		**(48,882)**	(124,078)
Other comprehensive loss for the Period		**(53,367)**	(138,072)
Total comprehensive loss for the Period		**(30,739)**	(105,145)
Profit/(loss) for the Period attributable to:			
— Owners of the Company	8	**23,467**	36,990
— Non-controlling interests		**(839)**	(4,063)
		22,628	32,927

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Notes	For the six months ended 31 December 2019 (Unaudited) HK$'000	2018 (Unaudited) HK$'000
Total comprehensive loss for the Period attributable to:			
— Owners of the Company		**(29,891)**	(101,082)
— Non-controlling interests		**(848)**	(4,063)
		(30,739)	(105,145)
Earnings per share attributable to owners of the Company		**HK Cents**	HK Cents
— Basic	8	**0.33**	0.52
— Diluted	8	**0.33**	0.52

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 31 December 2019 (Unaudited) HK$'000**	At 30 June 2019 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**61,039**	63,398
Intangible assets		**56,120**	59,145
Right-of-use assets	10	**37,559**	–
Goodwill		**15,546**	15,566
Loans receivable	11	**180,230**	204,108
Interest in a joint venture	13	**28,634**	29,419
Financial assets at fair value through profit or loss	14	**4,306**	4,306
Financial assets at fair value through other comprehensive income	14	**156,195**	160,886
Deferred tax assets		**10,169**	7,094
		549,798	543,922
Current assets			
Loans receivable	11	**1,052,802**	1,021,183
Other receivables, deposits and prepayments	12	**121,460**	123,247
Financial assets at fair value through profit or loss	14	**69,225**	66,560
Bank balances and cash	17	**1,161,529**	1,192,811
		2,405,016	2,403,801
Total assets		**2,954,814**	2,947,723
Current liabilities			
Other payables, accruals and deposits received		**50,454**	50,024
Lease liabilities		**4,382**	–
Provision for taxation		**90,581**	88,724
		145,417	138,748

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	At 31 December 2019 (Unaudited) HK$'000	At 30 June 2019 (Audited) HK$'000
Total assets less current liabilities		**2,809,397**	2,808,975
Non-current liabilities			
Lease liabilities		**31,900**	–
Deferred tax liabilities		**13,930**	14,669
		45,830	14,669
NET ASSETS		**2,763,567**	2,794,306
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	**708,822**	708,822
Reserves		**2,046,237**	2,076,128
		2,755,059	2,784,950
Non-controlling interests		**8,508**	9,356
TOTAL EQUITY		**2,763,567**	2,794,306

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2019 (unaudited)

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Contribution surplus HK$'000	Special reserve HK$'000	Other reserves HK$'000	Translation reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 July 2019	**708,822**	**1,952,303**	**170,789**	**847**	**79,388**	**(219,308)**	**92,109**	**2,784,950**	**9,356**	**2,794,306**
Profit/(loss) for the period	–	–	–	–	–	–	23,467	23,467	(839)	22,628
Other comprehensive loss for the period	–	–	–	–	(4,485)	(48,873)	–	(53,358)	(9)	(53,367)
Total comprehensive (loss)/ income for the period	–	–	–	–	(4,485)	(48,873)	23,467	(29,891)	(848)	(30,739)
Transfer to statutory reserve	–	–	–	–	3,059	–	(3,059)	–	–	–
At 31 December 2019	**708,822**	**1,952,303**	**170,789**	**847**	**77,962**	**(268,181)**	**112,517**	**2,755,059**	**8,508**	**2,763,567**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 31 December 2018 (unaudited)

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Contribution surplus HK$'000	Special reserve HK$'000	Other reserves HK$'000	Translation reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 July 2018	709,877	1,953,337	170,789	847	63,085	(118,032)	59,263	2,839,166	43,135	2,882,301
Profit/(loss) for the period	–	–	–	–	–	–	36,990	36,990	(4,063)	32,927
Other comprehensive loss for the period	–	–	–	–	(13,994)	(124,078)	–	(138,072)	–	(138,072)
Total comprehensive (loss)/ income for the period					(13,994)	(124,078)	36,990	(101,082)	(4,063)	(105,145)
Transfer to statutory reserve	–	–	–	–	4,262	–	(4,262)	–	–	–
Shares repurchased and cancelled	(1,055)	(1,035)	–	–	–	–	–	(2,090)	–	(2,090)
At 31 December 2018	708,822	1,952,302	170,789	847	53,353	(242,110)	91,991	2,735,994	39,072	2,775,066

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the six months ended 31 December 2019 (Unaudited) HK$'000	2018 (Unaudited) HK$'000
Net cash from/(used in) operating activities		**3,838**	(16,037)
Net cash from/(used in) investing activities		**12,253**	(138,035)
Net cash used in financing activities		**(4,463)**	(2,090)
Net increase/(decrease) in cash and cash equivalents		**11,628**	(156,162)
Effect of foreign exchange rate changes		**(20,364)**	(75,083)
Cash and cash equivalents at beginning of the Period		**83,782**	1,469,659
Cash and cash equivalents at end of the Period, represented by bank balances and cash	17	**75,046**	1,238,414

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company is located at Units 3310–11, 33rd Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of financial services, investment holding and provision of optical fibre leasing services.

This condensed consolidated interim financial statements are presented in Hong Kong dollar ("HK$"), unless otherwise stated.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the six months ended 31 December 2019 (the "Interim Financial Report") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. The Interim Financial Report should be read in conjunction with the Group's annual financial statement as at 30 June 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS") issued by the HKICPA.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the Group's annual financial statements as at 30 June 2019 which have been prepared in accordance with HKFRSs, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 July 2019. This is the first set of the Group's financial statements in which HKFRS 16 has been adopted. Details of any changes in accounting policies are set out below. Statutory financial statements for the year ended 30 June 2019 are available from the Company's registered office and the Company's website.

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Report has been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair values, and in accordance with accounting principles generally accepted in Hong Kong, and accounting standards issued by the HKICPA.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Except as described below, the accounting policies applied are consistent with those of preparation of the Group's annual consolidated financial statements for the year ended 30 June 2019, as described therein.

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, Business Combinations to HKFRS 11, Joint Arrangements
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 12, Income Taxes
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 23, Borrowing Costs
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement

HKFRS 16 — Leases

HKFRS 16 supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

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

The Group has adopted HKFRS 16 retrospectively from 1 July 2019, but has not restated comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019.

	1 July 2019 HK$'000
Operating lease commitments disclosed as at 30 June 2019 (audited)	67,030
Less: total future interest expenses (unaudited)	(27,945)
Lease liabilities recognised as at 1 July 2019 (unaudited)	39,085
Of which are:	
Current lease liabilities (unaudited)	6,497
Non-current lease liabilities (unaudited)	32,588
	39,085

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	At 1 July 2019 HK$'000 (unaudited)
Properties	16,372
Ministry of Railway use rights	24,660
Total right-of-use assets	41,032

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

	At 1 July 2019 HK$'000 (unaudited)
Right-of-use assets — increased by	41,032
Lease prepayment for ministry of Railway use right, net — decreased by	(1,947)
Lease liabilities — increased by	(39,085)
	–

Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

— the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;

— reliance on previous assessments on whether leases are onerous;

— the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;

— the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application;

— the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and

— to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of transition to HKFRSs.

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 applying HKAS 17 and HK(IFRIC) 4 Determining whether an Arrangement contains a Lease.

The Group leases various offices and ministry of Railway use right. Rental contracts are typically made for fixed periods of 1 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

— fixed payments (including in-substance fixed payments), less any lease incentives receivable

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

— the amount of the initial measurement of lease liability

— any lease payments made at or before the commencement date less any lease incentives received

— any initial direct costs, and

— restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the aggregate of amounts received and receivable from third parties, less returns and allowance and is analysed as follows:

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loan interest income	**44,591**	42,605
Leasing services income	**72**	13
	44,663	42,618

Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("CODM") that are used to make strategic decisions. The chief operating decision maker has been identified as the Executive Directors of the Company.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's Directors in order to allocate resources and assess performance of the segment.

For the six months ended 31 December 2018, the Executive Directors have determined that the Group had two reportable segments — "Financial Services" and "Investment Portfolio". The financial services segment, mainly the money lending business in Hong Kong and the loan financing business in the People's Republic of China (the "PRC"), which is operated by the Group's wholly foreign owned enterprise in Shanghai known as 上海永盛融資租賃有限公司 (Shanghai Yongsheng Capital Lease Company Limited*), continues to generate interest incomes from those business. The investment portfolio segment has been expanding includes but not limited to debt investments, equity investments and acquisition of companies. Following the start of operation of the optical fibre leasing services business in Myanmar, the CODM changed the internal reporting structure and added "Leasing Services" as a new reporting segment to strengthen the Group's business structure strategy. Therefore, the Group has three reporting segments for the six months ended 31 December 2019. The leasing services segment mainly related to provision of optical fibre leasing service to private companies and telecommunication companies in Myanmar.

* For identification purpose only

(a) Business segments

Segment information about these reportable segments is presented below:

For the six months ended 31 December 2019 (unaudited)

	Financial services HK$'000	Investment portfolio HK$'000	Leasing services HK$'000	Consolidated HK$'000
Turnover — external	**44,591**	**–**	**72**	**44,663**
Segment results	**29,491**	**12,755**	**(9,319)**	**32,927**
Other revenue				**289**
Other net losses				**(297)**
Other corporate expenses				**(10,291)**
Profit for the Period				**22,628**

For the six months ended 31 December 2018 (unaudited)

	Financial services HK$'000	Investment portfolio HK$'000	Consolidated HK$'000
Turnover — external	42,605	13	42,618
Segment results	43,298	(6,540)	36,758
Other revenue			6,339
Other net losses			(447)
Other corporate expenses			(9,723)
Profit for the period			32,927

(b) Geographical information

The geographical location of non-current assets (other than financial instruments) and revenue are determined by the location of the assets and customers/payees respectively.

The following tables present the geographical locations of the Group's revenue and non-current assets (other than financial instruments):

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue from external customers		
The PRC	**44,591**	40,613
Myanmar	**72**	13
Hong Kong	**–**	1,992
	44,663	42,618

	At	At
	31 December	30 June
	2019	2019
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Non-current assets (other than financial instruments)		
Hong Kong	**6,791**	1,123
The PRC	**23,389**	13,235
Myanmar	**178,887**	160,264
	209,067	174,622

Information about major customers

Revenue from the Group's major customers representing 10% or more of the Group's revenue is derived from financial services segment as listed below:

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Customer A	**15,062**	15,382
Customer B	**11,791**	12,042
Customer C	**9,166**	9,361
Customer D	**5,698**	–
	41,717	36,785

4. OTHER REVENUE AND OTHER NET GAINS/(LOSSES)

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Other revenue		
Interest income from convertible notes	**1,769**	1,781
Interest income from Senior Notes	**8,546**	5,914
Bank interest income	**12,257**	5,906
Government subsidy	**2,084**	1,989
Others	**55**	445
	24,711	16,035
Other net gains/(losses)		
Gain on convertible notes at fair value through profit or loss	**2,665**	–
Net foreign exchange losses	**(421)**	(476)
	2,244	(476)
Other revenue and other net gains	**26,955**	15,559

5. FINANCE COST

	For the six months ended 31 December	
	2019	2018
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Finance costs		
Interest expenses on lease liabilities	**1,859**	–

6. PROFIT BEFORE TAXATION

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit before taxation has been arrived at after charging/(crediting):		
Directors' emoluments	**1,700**	1,700
Staff costs (excluding directors' emoluments):		
Salaries and allowances	**6,625**	6,907
Retirement benefits scheme contributions	**151**	142
Total staff costs	**8,476**	8,749
Depreciation of property, plant and equipment	**2,286**	2,279
Depreciation for right-of-use assets	**3,267**	–
Amortisation of intangible assets (included in administrative expenses)	**2,957**	2,973
Provision for/(reversal of) impairment loss on loans receivables	**18,410**	(11,727)
Reversal of impairment losses on other receivables	**(5,506)**	–
Rent and rates	**183**	2,662
Legal and professional fees	**1,607**	1,631

7. TAXATION

The amount of tax recognised in the condensed consolidated statement of comprehensive income represents:

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current tax		
— PRC Income Tax	**12,863**	10,522
— Others	**–**	–
	12,863	10,522
Deferred tax credit	**(3,966)**	(743)
Total income tax expense	**8,897**	9,779

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. Provision for Hong Kong and overseas Profits Tax has been made at 16.5% (2018: 16.5%) and at the rate of taxation prevailing in the countries in which the Group operates respectively of the Group's estimated assessable profits generated from the respective countries for the Period.

8. EARNINGS PER SHARE

The basic and diluted earnings per share attributable to the owners of the Company are calculated as follows:

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
Profit for the Period	**HK$'000**	HK$'000
Profit for the purpose of basic and diluted earnings per share	**23,467**	36,990

Number of shares	For the six months ended 31 December 2019 (Unaudited) '000	2018 (Unaudited) '000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**7,088,224**	7,089,926

	For the six months ended 31 December 2019 (Unaudited) HK Cents	2018 (Unaudited) HK Cents
Earnings per share		
— Basic	**0.33**	0.52
— Diluted	**0.33**	0.52

Dilutive earnings per share is the same as the basic earnings per share because the Group had no dilutive potential ordinary shares during the six months ended 31 December 2019 and 2018.

9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group has addition of property, plant and equipment amounted HK$4,000 (2018: Nil) and depreciation expense of HK$2,286,000 (2018: HK$2,279,000) is recognised.

10. RIGHT-OF-USE ASSETS

The recognised right-of-use assets relate to the following types of assets:

	At 31 December 2019 (Unaudited) HK$'000
Properties	**13,916**
Ministry of Railway use rights	**23,643**
Total right-of-use assets	**37,559**

11. LOANS RECEIVABLE

	At 31 December 2019 (Unaudited) HK$'000	At 30 June 2019 (Audited) HK$'000
Loans receivable	**1,245,792**	1,221,464
Loans receivable under sale and leaseback agreements	**25,554**	24,185
Gross loans receivable	**1,271,346**	1,245,649
Less: Impairment allowances	**(38,314)**	(20,358)
	1,233,032	1,225,291
Less: current portion included under current assets	**(1,052,802)**	(1,021,183)
Amount due after one year	**180,230**	204,108

The carrying amounts of the Group's loans receivable are mainly denominated in the respective functional currencies of the group entities. The loans receivable under sale and leaseback arrangements which in substance do not involve a lease and represent loans made to borrowers/lessees secured on the underlying assets.

As detailed in the announcement dated 31 December 2019, loans with principal totalled RMB570,000,000 will be extended by 3 years upon the respective approval by shareholders are obtained.

An analysis of changes in the gross amount of advances and receivables are set out below:

	Stage 1
	HK$'000
At 1 July 2019 (audited)	1,245,649
Net addition in advances and receivables	11,036
Exchange realignment	14,661
At 31 December 2019 (unaudited)	**1,271,346**

Movement in the loss allowances account in respect of loans receivable during the Period is as follows:

	HK$'000
Loss allowance as at 1 July 2019 (audited)	20,358
Provision for impairment loss recognised during the Period	18,410
Exchange realignment	(454)
Loss allowance as at 31 December 2019 (unaudited)	38,314

12. OTHER RECEIVABLES

On 28 June 2019, various machinery and equipment (the "Assets") previously classified as non-current assets held for sale were sold to Zhenjiang Rongde New Energy Technology Co., Ltd. ("Zhenjiang Rongde") at a consideration of RMB193,000,000 (approximately HK$219,306,000). Pursuant to a sales agreement between the subsidiary of the Group, Shanghai Yongsheng and Zhenjiang Rongde, Zhenjiang Rongde has to make half of the payment of RMB96.5 million to Shanghai Yongsheng before 28 June 2019 and remaining half within 180 days in respect of acquisition of the Assets. The remaining half of the payment of RMB96.5 million has been past due for less than 30 days as at 31 December 2019. The receivable from Zhenjiang Rongde is included as other receivables in the condensed consolidated statement of financial position as at 31 December 2019 and the consolidated statement of financial position as at 30 June 2019. The Group has applied expected credit loss impairment model to the receivable from Zhenjiang Rongde. A reversal of impairment loss amounted to RMB4,935,000 was made on 31 December 2019. (June 2019: provision for impairment loss of RMB7,055,000)

13. INTEREST IN A JOINT VENTURE

	At 31 December 2019 (Unaudited) HK$'000	At 30 June 2019 (Audited) HK$'000
Share of net assets	**28,634**	29,419

Particulars of the Group's interest in a joint venture are as follows:

Name of company	Form of business structure	Place of incorporation and operations	Percentage of ownership interest/ voting rights/ profit share	Principal activity
Golden Myanmar Business Exchange Co, Ltd.	Corporation	Myanmar	70%	Construction and operation of data centre

On 16 May 2016, Myanmar Golden 11 Investment International Co. Ltd. ("MG11"), a non-wholly owned subsidiary of the Company, entered into a joint venture agreement (the "Agreement") with a third party, Golden TMH Telecom Co. Ltd. ("GTMH"). Pursuant to the Agreement, a joint venture company, Golden Myanmar Business Exchange Co, Ltd. ("GMBX") was established in Myanmar to carry out the operation of a co-location hosting date centre on 16 August 2016. The initial authorised capital of GMBX was USD7,000,000, of which MG11 and GTMH contributed USD4,900,000 and USD2,100,000, respectively. The capital contributed by MG11 was made in form of injection of property, plant and equipment of USD2,738,000 (equivalent to approximately HK$21,220,000) and cash of USD2,162,000 (equivalent to approximately HK$16,755,000).

Pursuant to the Agreement, MG11 and GTMH undertake the economic activities of GMBX which are subject to joint control and none of the participating party has unilateral control over the economic activities.

Summarised financial information

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue	**702**	1,351
Loss for the Period	**1,068**	1,607
Total comprehensive loss	**1,068**	1,607

14. OTHER FINANCIAL ASSETS

	At 31 December 2019 (Unaudited) HK$'000	At 30 June 2019 (Audited) HK$'000
Non-current portion		
Financial assets at fair value through profit or loss		
Unlisted equity securities outside Hong Kong (Note (b))	**4,306**	4,306
Financial assets at fair value through other comprehensive income		
Quoted debt investments (denominated in USD) (Note (c))	**156,195**	160,886
	160,501	165,192
Current portion		
Financial assets at fair value through profit or loss		
Unlisted convertible promissory note with fixed interest (denominated in USD) (Note (a))	**69,225**	66,560

Notes:

(a) The Group has entered into an agreement of an amended and restated convertible note ("Note") with Airspan on 28 November 2017. The principal amount of the Note is USD9,000,000 with fixed interest rate 5% and mature on date of 30 June 2020. The Note entitles the Group to convert the principal and accrued interest into shares of the issuer (the "Option") at certain conversion prices depending on various circumstances upon the conditions of conversion have been fulfilled (i) at the next equity financing date as defined in the terms and conditions of the Note, or (ii) at the option of the Group prior to 30 June 2020. The Group has no intention to convert the principal amount and accrued interest of the Note into equity of Airspan, but since the contractual cashflow are not solely payments of principal and interest on the principal amount outstanding, the directors classified the investment as financial assets at FVTPL according to HKFRS 9.

(b) The Company holds 10% of Metro Leader Limited after the completion of disposal on 17 November 2016. It is classified as available-for-sale investments as the Group does not have the power to control or significant influence on the investee. The directors classified the investment as financial assets at FVTPL according to HKFRS 9.

(c) As further detailed in the Company's announcement dated 24 August 2018, a wholly-owned subsidiary of the Company placed an order to subscribe for the 11% Senior Notes in the principal amount of USD20,000,000 issued by Redco Properties Group Limited (力高地產集團有限公司) ("11% Senior Notes"). The 11% Senior Notes bear interest from and including the date of issue on 23 August 2018 at the rate of 11.0% per annum, payable semiannually in arrears, and will mature on 29 August 2020. The directors classified the investment as financial assets at FVOCI.

15. SHARE CAPITAL

	At 31 December 2019 (Unaudited) HK$'000	At 30 June 2019 (Audited) HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
30,000,000,000 ordinary shares	**3,000,000**	3,000,000
Issued and fully paid:		
7,088,224,000 (1 July 2018: 7,098,774,000) ordinary shares at beginning of Period	**708,822**	709,877
Ordinary shares repurchased and cancelled during the Period	**–**	(1,055)
7,088,224,000 (30 June 2019: 7,088,224,000) ordinary shares at end of Period	**708,822**	708,822

16. KEY MANAGEMENT COMPENSATION

Key management compensation amounted to HK$2,127,000 for the six months ended 31 December 2019 (2018: HK$3,150,000).

	For the six months ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Salaries and allowances	**2,109**	3,123
Retirement benefits scheme contributions	**18**	27
	2,127	3,150

17. NOTES SUPPORTING CASH FLOW STATEMENTS

The bank balances and cash comprise:

	At 31 December 2019	At 30 June 2019
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Bank and cash balances	**75,046**	83,782
Time deposits with original maturity over three months	**1,086,483**	1,109,029
Total cash and bank balances	**1,161,529**	1,192,811

18. EVENT AFTER THE REPORTING PERIOD

The assessment of the impact of the Coronavirus Disease 2019

In view of the outbreak of Coronavirus Disease 2019 ("COVID-19") in January 2020 in the PRC, the PRC authority has taken national prevention and control of the COVID-19. The COVID-19 has certain impacts on the business operation and overall economy in some geographical areas or industries in the PRC. To a certain extent the outbreak may affect the prospecting and review for new customers and existing customers of our money lending business located in the PRC of the Group, and the extent of the impact depends on the duration of the epidemic and the implementation of regulatory policies and relevant protective measures. The Group will stay alert on the development and situation of the COVID-19, continuing to assess its impacts on the financial position and operating results of the Group and take necessary action to maintain stability of the business in the PRC. Up to the date of this announcement, the assessment is still in progress.

MANAGEMENT DISCUSSION AND ANALYSIS
FINANCIAL REVIEW

For the six months ended 31 December 2019 (the "Period") due to the rise in loan interest income of the Group of approximately HK$1,986,000, the turnover of the Group increased by approximately HK$2,045,000 to approximately HK$44,663,000 (2018: approximately HK$42,618,000), the Group recorded a profit before taxation of approximately HK$31,525,000 (2018: approximately HK$42,706,000) and a net profit of approximately HK$22,628,000 (2018: approximately HK$32,927,000).

Provision for impairment loss on loan receivables reflected in statement of financial position at 31 December 2018, 30 June 2019 and 31 December 2019, respectively, was approximately HK$42,360,000, HK$20,358,000 and HK$38,314,000. The profit or loss impact due to movement of the impairment loss for the six months ended 31 December 2018 and 31 December 2019, respectively, was approximately profit of HK$11,727,000 and loss of HK$18,410,000 and 31 December 2018 was within first year of adoption of HKFRS 9. Since the impairment loss is a fluctuating amount with many factors impacted, the profit excluding the impact of impairment loss was summarised below for easy reference:

	Six months ended 31 December 2019 HK$'000	Six months ended 31 December 2018 HK$'000
Profit before tax	**31,525**	42,706
Add back: impairment loss (gain) on loan receivables	**18,410**	(11,727)
Profit before tax excluding impairment loss (gain) on loans receivables	**49,935**	30,979

FINANCIAL REVIEW (CONTINUED)

The decrease in net profit was mainly due to the combined impact of:

(i) The turnover of the Group increased by approximately HK$2,045,000 to approximately HK$44,663,000 (2018: approximately HK$42,618,000). Increase in turnover was primarily caused by new loan granted as detailed in announcement dated 12 June 2019. The average interest rate of the Group finance lease and loan portfolio is approximately 7.6% as at 31 December 2019 (2018: approximately 7.9%);

(ii) Increase in other revenue and other net gains/(losses) by approximately HK$11,396,000 to approximately HK$26,955,000 (2018: approximately HK$15,559,000) mainly due to the combined impact of bank interest income of approximately HK$12,257,000 (2018: approximately HK$5,906,000); interest income earned from Senior Notes of approximately HK$8,546,000 (2018: HK$5,914,000); and net gain on financial assets at fair value through profit or loss of HK$2,665,000 (2018: Nil);

FINANCIAL REVIEW (CONTINUED)

(iii) The general and administrative expenses for the Period of approximately HK$37,487,000 represents an approximately 161% or approximately HK$23,141,000 increase as compared with same period of last year of approximately HK$14,346,000. The increase in general and administrative expense was mainly due to there had been an increase in provision for receivables of approximately HK$12,904,000 (being increase in provision for loans of approximately HK$18,410,000 net–off by decrease in provision for other receivables of approximately HK$5,506,000) during the Period considering the overall loan portfolio including those to be extended as detailed in the announcement dated 31 December 2019, as opposed to the decrease in receivables leading to reversal of provision for receivables recognised pursuant to new accounting standards coming into effect during the comparative period of approximately HK$11,727,000;

(iv) Increase in finance costs by approximately HK$1,859,000 was due to the first adoption of HKFRS16 and interest expenses on lease liabilities of approximately HK$1,859,000 (2018: nil) was recognised.

(v) The recognition of share of loss of a joint venture decreased by approximately HK$378,000 to approximately HK$747,000 (2018: approximately HK$1,125,000); and

(vi) Decrease in total tax expenses by approximately HK$882,000 to approximately HK$8,897,000 (2018: approximately HK$9,779,000) mainly because deferred tax credit recognized due to the increase in provision for receivables.

The financial performance in the six months ended 31 December 2019 is the result of the Group disciplined cost control and success in capturing the opportunity to deliver a long-term stable return for our shareholders.

BUSINESS REVIEW

The principal businesses of the Group include (i) the provision of financial services; (ii) the provision of optical fibre leasing services; and (iii) investment holding.

Provision of financial services

In Hong Kong, the Group is conducting its money lending business through Golden Wayford Limited, a wholly-owned subsidiary of the Company, which was granted a money lenders licence by the licensing court in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group is also carrying on the financial leasing business, commercial factoring business and general loan financing activities in the PRC through an indirect wholly-owned PRC subsidiary located at the Shanghai Pilot Free Trade Zone.

The financial services segment has continued to generate interest incomes from loan financing during the year and has accounted for majority of the Group's turnover for the Period. The segment is the core income sources of the Group's profit and also one of the main business of the Group in the long run.

Provision of optical fibre leasing services

The Group's segment of provision of optical fibre leasing services inclusive of ancillary rental services of telecommunication facilities is represented by its sub-group of Golden 11 Investment International PTE Ltd. ("Golden 11"), which holds a license granted by the Posts and Telecommunications Department of Myanmar which allows the construction of business infrastructure for optical fibre network, base stations, towers and telecom network at Myanmar along the railway line in Yangon. Leasing income will be generated from the infrastructure projects with major target customers being the mobile network operators in Myanmar. This segment is a strategic asset of the Group which can help to diversify our revenue sources and capture the growth of the telecom market in Myanmar. We have been continuing to recruit more staff to enlarge our sales team, operations as well as outsourcing contractors to support the growth of this segment. This segment has generated revenue of approximately HK$72,000 during the Period. With our construction of optical fibre circuit along the Yangon rail line and roll out of more sites for base stations, towers and augmented backhaul optical fibre leasing income, these facilities are expected to be substantially completed in the year of 2020 and the Group expects, it will contribute more revenue to the Group in the future.

BUSINESS REVIEW (CONTINUED)

Investment holding

The Group's investment portfolio segment comprised of the following financial instrument investments:

(i) The Group held investment in convertible note issued by Airspan Network Inc. ("Airspan") with fair value of approximately HK$69,225,000, representing approximately 2.3% of the Group total assets as at 31 December 2019.

(ii) The Group also held investment in 11% Senior Notes of Redco Properties Group Limited with fair value of approximately HK$156,195,000, representing approximately 5.3% of the Group's total assets as at 31 December 2019.

In total, these investments represent approximately 7.6% of the Group's total assets as at 31 December 2019. Please refer to Note 14 to the consolidated financial statements for details.

The Group intends to continue deploying its strategy to maintain its investment portfolios and seek other potential investments to diversify its investment portfolios in order to broaden the income source of the Group.

PROSPECTS

In order to mitigate the risk of over reliance on any customers, we have been actively seeking to broaden and diversify our loan financing portfolio and customer base. In this regard, we have established a new team in Shanghai during the second half of 2019 which is focused on finance leases in the logistic industry. Such new team has expanded to a total of 12 members, and developed a sound infrastructure and comprehensive risk management system including due diligence on customers, independent information review and approval processes. Since the establishment of such new team, it has successfully entered into 8 set of loan contracts with 6 new customers in the logistic industry. The aggregate principal amount of these new loan contracts amounted to over RMB10 million with terms and interest rates ranging from 2 to 24 months and 0.58% to 1.3% monthly interest rate, respectively. It was targeted by the Group to further expand the operations of such new team to bring over 90-120 of new customers during 2020, which will become another income stream of the Company and diversify its financial services portfolio. Unfortunately, due to the outbreak of the novel coronavirus early this year, the development of such new team has been adversely affected.

Given the outbreak of the COVID-19, most of the operations of the enterprises in the Mainland China have been adversely affected or even temporarily suspended for a period of time. The global economics will be dragged down, and many enterprises all over the world will suffer from the adverse impact. Thus, the recoverability of the loan portfolios of the Company may also be affected during the novel coronavirus outbreak. The Company is assessing such adverse impact on our collecting of interests and loan principal.

Nevertheless, the loan financing services remain as the Group's core income sources, and our development plan in China for money lending business is under repositioning now, aiming to recover the adverse impacts given rise from the outbreak of the novel coronavirus. Our loan financing services teams in China target to recover and develop new businesses within 6 month as soon as the novel coronavirus is alleviated to make up for the adverse impacts pertained to the business halt period in China. The Group will maintain its stable financial profile to keep its sustainability, while keep proactively exploring further potential investment opportunities in other industries in order to broaden the source of revenue and diversify business risk of the Group which are in the best interest of shareholders of the Company.

USE OF PROCEEDS AND UPDATES

The net proceeds received by the Company in May 2015 from the completion of the subscription agreement dated 29 January 2015 between the Company and Tiancheng International Holdings Investment Limited (the details of which were set out in the circular (the "Circular") of the Company dated 12 March 2015). The net proceeds were intended to be applied in accordance with the proposed application as set out in pages 16 and 17 of the Circular. The actual proceeds received was HK$2,464.8 million and intended to apply the net proceeds as below:

(a) approximately HK$1,847.1 million for the loan/lease financing activities of the Group within the financial services segment;

(b) approximately HK$39 million for investment in the online bank business in form of joint venture;

(c) approximately HK$78 million for investment in Golden 11 and loans to shareholders of Golden 11;

(d) approximately HK$500.7 million for the purposes of further development of Golden 11 and fulfilling the capital contribution commitment of approximately HK$38 million of Golden 11, future investment opportunities in the clean energy, internet banking (non-greenfield stage), biopharmaceutical, financial investment, bulk commodities, cultural industries or other major sectors.

The actual use of the net proceeds from the subscription agreement up to 31 December 2019 has been utilized in the following manner:

(a) used as intended;

(b) used as intended;

(c) used as intended;

(d) approximately HK$70 million was used for fulfilling the capital contribution commitment of Golden 11 sub-group and working capital needs up to 31 December 2019; and the remaining balance yet to be utilised and is placed in licensed banks.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group maintains its strong financial position with cash and cash equivalents of approximately HK$1,161,529,000 (30 June 2019: approximately HK$1,192,811,000).

As at 31 December 2019, the Group had net current assets of approximately HK$2,259,599,000 (30 June 2019: approximately HK$2,265,053,000). The total equity was approximately HK$2,763,567,000 (30 June 2019: approximately HK$2,794,306,000) and there was no borrowing and gearing ratio was zero (30 June 2019: zero).

CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 December 2019 (2018: nil).

CAPITAL STRUCTURE

The capital of the Company only comprises ordinary shares. During the Period, there has been no change in the capital structure of the Group.

OTHER INFORMATION

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS

All definition of the Agreement(s) under this heading follow the same definitions as in the "Corporate Governance Report" of the Company's 2016 Annual Report.

Pursuant to Rule 13.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), a general disclosure obligation arises where an advance to an entity from the Group exceeds 8% of the total assets of the Group. Pursuant to Rule 13.13 of the Listing Rules, details of advances as defined under Rule 13.15 of the Listing Rules which remained outstanding as at 31 December 2019 were as follow:

The Shanghai Wealth Agreements

On 30 December 2016, Shanghai Yongsheng entered into the First Shanghai Wealth Supplemental Agreement and Second Shanghai Wealth Supplemental Agreement with Shanghai Wealth, pursuant to which the parties agreed to amend the First Shanghai Wealth Agreement and Second Shanghai Wealth Agreement as follows:

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

The First Shanghai Wealth Supplemental Agreement

Date:	30 December 2016
Parties:	Shanghai Yongsheng, as the lender Shanghai Wealth, as the borrower To the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Wealth and its ultimate beneficial owners are not connected persons of the Company.
Principal amount:	RMB24,000,000
Term:	The repayment date is extended by 39 months to 16 October 2019.
Interest:	8% per annum, payable on a quarterly basis
Security:	The First Shanghai Wealth Loan is secured by certain real estate properties owned by Shanghai Wealth (the "Shanghai Wealth Properties")

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

The Second Shanghai Wealth Supplemental Agreement

Date:	30 December 2016
Parties:	Shanghai Yongsheng, as the lender
	Shanghai Wealth, as the borrower
Principal amount:	RMB250,000,000
Term:	The repayment date is extended by 39 months to 16 December 2019
Interest:	8% per annum, payable on a quarterly basis
Security:	The Second Shanghai Wealth Loan is secured by the Shanghai Wealth Properties

As at 31 December 2019, the net principal and the accrued interest of the First Shanghai Wealth Loan and the Second Shanghai Wealth Loan which remains outstanding is RMB24,671,000 and RMB256,924,000, respectively.

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

The Shanghai Renhe Investment Agreement

On 30 December 2016, Shanghai Yongsheng entered into the Shanghai Renhe Investment Supplemental Agreement with Shanghai Renhe Investment, pursuant to which the parties agreed to amend the Shanghai Renhe Investment Agreement as follows:

The Shanghai Renhe Investment Supplemental Agreement

Date:	30 December 2016
Parties:	Shanghai Yongsheng, as the lender
	Shanghai Renhe Investment, as the borrower
	To the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Renhe Investment and its ultimate beneficial owners are not connected persons of the Company.
Principal amount:	RMB350,000,000
Term:	The repayment date is extended by 39 months to 6 December 2019
Interest:	8% per annum, payable on a quarterly basis
Security:	The Shanghai Renhe Investment Loan is unsecured

In addition, 上海錢江文化科技(集團)有限公司 (Shanghai Qian Jiang Cultural and Technology (Group) Limited*), a company held as to 10% by Shanghai Renhe Investment and 90% by an indirect holding company of Shanghai Renhe Investment agreed to provide a guarantee in respect of the Shanghai Renhe Investment Loan.

As at 31 December 2019, the net principal and the accrued interest of the Shanghai Renhe Investment Loan which remains outstanding is RMB346,630,000.

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

The Shanghai Shihao Supplemental Agreement

On 30 December 2016, Shanghai Yongsheng entered into the Shanghai Shihao Supplemental Agreement with Shanghai Shihao, pursuant to which Shanghai Yongsheng agreed to extend repayment date under the Shanghai Shihao Loan by 36 months to 10 September, 13 September and 11 November 2019 respectively.

As at 31 December 2019, the net principal and the accrued interest of the Shanghai Shihao Loan which remains outstanding is RMB216,726,000.

Date:	30 December 2016
Parties:	Shanghai Yongsheng, as the lender Shanghai Shihao, as the borrower To the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Shihao and its ultimate beneficial owners are not connected persons of the Company.
Principal amount:	RMB220,000,000
Term:	The repayment date is extended by 36 months to 10 September, 13 September and 11 November 2019 respectively, effective from 7 September 2015
Interest:	8% per annum with effect from 1 December 2016, payable on a quarterly basis
Security:	The Shanghai Shihao Loan is unsecured

In addition, 鎮江榮德新能源科技有限公司 (Zhenjiang Rongde New Energy Science Technology Co., Ltd.*), a wholly-owned subsidiary of Shanghai Shihao, agreed to (i) provide a guarantee in respect of the Shanghai Shihao Loan; and (ii) charge certain machinery for the production of photovoltaic solar cells and modules as new security for the previously unsecured Shanghai Shihao Loan, with effect from the date of the Shanghai Shihao Supplemental Agreements. The Board considers that the value of the security provided is sufficient to cover the principal amount of the Shanghai Shihao Loan.

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

Shanghai Mei Long Building Development Limited ("Shanghai Mei Long") Agreement

On 29 June 2018, Shanghai Yongsheng entered into the First Shanghai Mei Long Agreement with Shanghai Mei Long, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Mei Long in the sum of RMB30,000,000 for a term of 24 months. *(Note)*

On 12 June 2019, Shanghai Yongsheng entered into the Second Shanghai Mei Long Agreement with Shanghai Mei Long, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Mei Long in the sum of RMB150,000,000 for a term of 36 months. *(Note)*

As at 31 December 2019, the principal and the accrued interest of the First Shanghai Mei Long Loan and the Second Shanghai Mei Long Loan which remains outstanding are RMB30,685,000 and RMB152,012,000, respectively.

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

The First Shanghai Mei Long Agreement

Date:	29 June 2018
Parties:	Shanghai Yongsheng, as the leader Shanghai Mei Long, as the borrower To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Mei Long and its ultimate beneficial shareholders as at the date of this announcement are third parties independent of the Company and are not connected persons of the Company.
Principal loan amount:	RMB30,000,000
Term:	24 months, effective from 2 July 2018
Interest rate:	6% per annum, payable semi-annually
Security:	The First Shanghai Mei Long Loan is unsecured

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

The Second Shanghai Mei Long Agreement

Date:	12 June 2019
Parties:	Shanghai Yongsheng, as the leader
	Shanghai Mei Long, as the borrower
	To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Mei Long and its ultimate beneficial shareholders as at the date of this announcement are third parties independent of the Company and are not connected persons of the Company.
Principal loan amount:	RMB150,000,000
Term:	36 months, effective from 25 June 2019
Interest rate:	6% per annum, payable semi-annually
Security:	equity pledge of each of the shareholders of Shanghai Mei Long of their respective equity interests in Shanghai Mei Long

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

Shanghai Bao Cheng Property Limited ("Shanghai Bao Cheng") Agreement

On 2 January 2019, Shanghai Yongsheng entered into the Shanghai Bao Cheng Agreement with Shanghai Bao Cheng, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Bao Cheng in the sum of RMB42,000,000 for a term of 12 months. *(Note)*

As at 31 December 2019, the principal and the accrued interest of the Shanghai Bao Cheng Loan which remains outstanding is RMB41,845,000.

Date:	2 January 2019
Parties:	Shanghai Yongsheng, as the leader Shanghai Bao Cheng, as the borrower To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Bao Cheng and its ultimate beneficial shareholders as at the date of this announcement are third parties independent of the Company and are not connected persons of the Company.
Principal loan amount:	RMB42,000,000
Term:	12 months, effective from 2 January 2019
Interest rate:	7% per annum, payable quarterly
Security:	The Shanghai Bao Cheng Loan is unsecured

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS (CONTINUED)

Shanghai Bao Cheng Property Limited ("Shanghai Bao Cheng") Agreement (Continued)

Note: In respect of these agreements, 上海梅龍大廈發展有限公司 (Shanghai Mei Long Building Development Limited*) is owned by Liu Jianfei ("Individual A") and Zhang Zhifeng ("Individual B") which are third parties independent of the Company and are not connected persons of the Company, as to 10% and 90% by Individual A and Individual B respectively. 上海寶成房地產有限公司 (Shanghai Bao Cheng Property Limited*) is owned by Individual A and Individual B which are third parties independent of the Company and are not connected persons of the Company, as to 80% and 20% by Individual A and Individual B respectively. Since the financing sums for these agreements in aggregate exceeds 8% under the assets ratio calculated in accordance with Rule 14.07(1) of the Listing Rules their details are accordingly disclosed.

* *for illustrative purposes only.*

The disclosure in this section has not factored in the extension of loan maturity as detailed in the announcement dated 31 December 2019 as the extension are subject to pending shareholders' approval.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not enter into any material acquisition and disposal of subsidiaries and affiliated companies during the six months ended 31 December 2019.

CHARGE ON ASSETS

As at 31 December 2019, the Group did not have any charge on its assets (30 June 2019: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Up to current moment, other than the formation of joint venture to invest into Golden Myanmar Business Exchange Co, Ltd. as detailed in Note 13 to the condensed financial statements, the Group does not have any other plan for material investments or capital assets.

SUBSEQUENT EVENT

Please refer to Note 18 to the condensed financial statements for event after the reporting period.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

During the Period under review, the Group's transactions were substantially denominated in either Hong Kong dollars, US dollars or RMB yuan. The Group did not use any financial instruments for hedging purposes (30 June 2019: Nil).

DISCLOSURE OF INTERESTS

(i) Directors' and Chief Executives' Interest in Shares

At 31 December 2019, the interests or short positions of each Director and the Chief Executive in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long position in shares of the Company

Directors	Capacity	Number of issued ordinary shares	Approximate percentage of issued share capital held of the Company
Chen Chuanjin	Beneficial owner	10,000,000	0.14%
Chen Shi	Beneficial owner	200,000,000	2.82%
Lo Wan Sing, Vincent	Beneficial owner	9,500,000	0.13%
Chau On Ta Yuen	Beneficial owner	2,500,000	0.04%
Lu Sheng (Note 2)	Interest of controlled corporation (Note 1)	600,000,000	8.46%

Notes:

1. Power Fine Global Investment Limited is wholly-owned by Mr. Lu Sheng, an Executive Director. Mr. Lu Sheng is deemed to be interested in the 600,000,000 shares of the Company held by Power Fine Global Investment Limited for the purposes of the SFO.

2. Mr. Lu Sheng resigned as an Executive Director of the Company on 10 July 2019.

DISCLOSURE OF INTERESTS (CONTINUED)

(i) Directors' and Chief Executives' Interest in Shares (Continued)

Save as disclosed above, as at 31 December 2019, none of the Directors and the Chief Executive of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

(ii) Substantial Shareholders' Interests and Short Positions in the Share Capital of the Company

At 31 December 2019, the shareholder who had an interest or short position in the shares and underlying shares of the Company which have been disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO was as follows:

Long position in the shares of the Company

Name of shareholder	**Capacity**	**Number of issued ordinary share**	**Approximate percentage of issued share capital held of the Company** (Note 5)
Cheng Kin Ming (Note 1)	Beneficial owner	2,337,120,000	32.97%
Tiancheng International Holdings Investment Limited (Note 1)	Beneficial owner	2,260,640,000	31.89%
Chu Yuet Wah (Note 2)	Beneficial owner and person having a security interest	1,810,146,190	25.54%
Kingston Finance Limited (Note 2)	Person having a security interest	1,800,000,000	25.39%
Ng Leung Ho (Note 3)	Beneficial owner	1,012,061,882	14.28%

DISCLOSURE OF INTERESTS (CONTINUED)

(ii) Substantial Shareholders' Interests and Short Positions in the Share Capital of the Company (Continued)

Name of shareholder	Capacity	Number of issued ordinary share	Approximate percentage of issued share capital held of the Company (Note 5)
Golden Prince Group Limited (Note 3)	Beneficial owner	600,000,000	8.46%
Rich Capital Global Enterprises Limited (Note 3)	Beneficial owner	406,741,882	5.74%
Power Fine Global Investment Limited (Note 4)	Beneficial owner	600,000,000	8.46%

Note 1: Mr. Cheng Kin Ming has personal holding of 76,480,000 shares of the Company. The entire issued capital of Tiancheng International Holdings Investment Limited is directly wholly-owned by Mr. Cheng Kin Ming.

Note 2: Ms. Chu Yuet Wah has personal holding of 1,545,500 shares of the Company, indirect holding of 8,600,690 shares of the Company and as a person having a security interest of 1,800,000,000 shares of the Company. The entire issued capital of Kingston Finance Limited is indirectly wholly-owned by Ms. Chu Yuet Wah.

Note 3: Mr. Ng Leung Ho has personal holding of 5,320,000 shares of the Company. The entire issued capital of Golden Prince Group Limited and Rich Capital Global Enterprises Limited are both directly wholly-owned by Mr. Ng Leung Ho.

Note 4: The entire issued capital of Power Fine Global Investment Limited is owned by Mr. Lu Sheng, Executive Director of the Company who resigned on 10 July 2019.

Note 5: The approximate percentages were calculated based on 7,088,223,998 shares of the Company in issue as at 30 June 2019 (rounded down to two decimal places).

Save as disclosed herein, no other person had any interests or short positions in the shares or underlying shares of the Company as at 31 December 2019, which were disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 December 2019, the Group employed approximately 36 employees. The Remuneration Committee and the Directors of the Company reviewed remuneration policies regularly. The structure of the remuneration packages would take into account the level and composition of pay and the general market conditions in the respective countries and businesses.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading of "Directors' and Chief Executives' Interest in Shares" above and "Share Option Scheme" below, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Pursuant to the ordinary resolutions passed at the annual general meeting of the Company held on 28 November 2017, the Company adopted New Share Option Scheme and terminated the Existing Share Option Scheme. Capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 19 October 2017.

During the Period, no share option was granted or exercised under the New Share Option Scheme.

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

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

AUDIT COMMITTEE

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Stock Exchange. The Audit Committee comprises one Non-executive Director and two Independent Non-executive Directors of the Company. The primary duties of the Audit Committee are to review the Company's annual and interim results and to review and supervise the Company's financial reporting and internal control procedures.

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 review of the unaudited financial statements of the Group for the Period.

CODE ON CORPORATE GOVERNANCE PRACTICE

The Board is committed to establish and maintain high standards of corporate governance to enhance shareholders' interest and promote sustainable development. The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") throughout the Period.

DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the year ended 30 June 2019 of the Company are set out below:

Name of Director	Details of change
Chau On Ta Yuen	resigned as a non-executive director of China Ocean Industry Group Limited (Stock Code: 0651) on 11 December 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules during the Period under review. The Company has made specific enquiry with all the Directors and all of them confirmed that they have complied with the required standard set out in the Model Code for the Period.

APPRECIATION

On behalf of the Board, I would like to thank all of our customers, shareholders, suppliers and employees for their continued support.

On behalf of the Board
Good Resources Holdings Limited
Chen Chuanjin
Chairman

Hong Kong, 28 February 2020

As at the date of this announcement, (i) the executive Directors of the Company are Mr. Chen Chuanjin and Mr. Chen Shi; (ii) the non-executive Director of the Company is Mr. Lo Wan Sing, Vincent; and (iii) the independent non-executive Directors of the Company are Mr. Chau On Ta Yuen, Mr. Zhang Ning and Mr. Wong Hok Bun, Mario.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.

* *For identification purposes only*