



NOBLE CENTURY
INVESTMENT HOLDINGS LIMITED
仁瑞投資控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code : 2322)

2018/19
Interim Report



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. ZHENG Juhua (*Chairman*)
 Mr. CHAN Chi Yuen (*Chief Executive Officer*)
 Ms. WANG Yingqian

Independent Non-executive Directors

Mr. MAN Kwok Leung
 Mr. YU Pak Yan, Peter
 Mr. CHI Chi Hung, Kenneth

COMPANY SECRETARY

Ms. CHAN Wai Fung

AUDIT COMMITTEE

Mr. CHI Chi Hung, Kenneth (*Chairman*)
 Mr. MAN Kwok Leung
 Mr. YU Pak Yan, Peter

REMUNERATION COMMITTEE

Mr. YU Pak Yan, Peter (*Chairman*)
 Mr. MAN Kwok Leung
 Mr. CHI Chi Hung, Kenneth

NOMINATION COMMITTEE

Mr. MAN Kwok Leung (*Chairman*)
 Mr. YU Pak Yan, Peter
 Mr. CHI Chi Hung, Kenneth
 Ms. ZHENG Juhua

AUDITOR

Lau & Au Yeung C.P.A. Limited

PRINCIPAL BANKERS

The Bank of East Asia Limited
 OCBC Wing Hang Bank Limited

REGISTERED OFFICE

Clarendon House
 2 Church Street
 Hamilton HM11
 Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2202, 22/F., China Resources Building
 26 Harbour Road
 Wanchai
 Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
 The Belvedere Building
 69 Pitts Bay Road
 Pembroke HM08
 Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
 Level 22, Hopewell Centre
 183 Queen's Road East
 Wanchai
 Hong Kong

STOCK CODE

2322

WEBSITE

<http://www.noblecentury.hk>



This interim report is printed on environmentally friendly paper

The board of directors (the "Board") of Noble Century Investment Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2018 together with the comparative figures for the corresponding period in 2017. The unaudited condensed consolidated interim financial statements have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

		Six months ended	
		30 September	
		2018	2017
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		Unaudited	Unaudited
Revenue	3	35,871	180,115
Cost of sales	5	(19,644)	(166,803)
Gross profit		16,227	13,312
Other income	4	4,422	1,196
Realised gain on held-for-trading investments		6,021	–
Gain/(Loss) on changes in fair value of held-for-trading investments		8,916	(15,443)
Loss on disposal of subsidiaries	21	(5,473)	–
Impairment loss on deposits, prepayment and other receivables		(2,896)	–
Impairment loss on finance lease payment receivables		(599)	–
Impairment loss on loan and interest receivables		(551)	(489)
Impairment loss on trade receivables		(11,099)	–
Administrative expenses	5	(17,542)	(20,523)
Loss before taxation		(2,574)	(21,947)
Taxation	6	(3,646)	(1,973)
Loss for the period		(6,220)	(23,920)

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

		Six months ended	
		30 September	
	<i>Notes</i>	2018	2017
		HK\$'000	HK\$'000
		Unaudited	Unaudited
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation		(66,552)	31,803
Total comprehensive (loss)/income for the period		(72,772)	7,883
Loss for the period attributable to:			
Owners of the Company		(3,150)	(23,139)
Non-controlling interests		(3,070)	(781)
Loss for the period		(6,220)	(23,920)
Total comprehensive (loss)/income for the period attributable to:			
Owners of the Company		(70,369)	9,115
Non-controlling interests		(2,403)	(1,232)
Total comprehensive (loss)/income for the period		(72,772)	7,883
		Unaudited	Unaudited
Basic and diluted losses per share	8	HK(0.09) cents	HK(0.63) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

	Notes	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment		99,407	111,692
Investment property	9	–	13,000
Goodwill		1,000	1,000
Other financial asset		–	5,287
Available-for-sale investment		–	30,000
Finance lease payment receivables	10	97,118	113,861
Loan and interest receivables	14	–	6,308
		197,525	281,148
Current assets			
Inventories	11	111	1,694
Trade receivables	12	133,090	236,722
Bills receivable		85	16,383
Deposits, prepayments and other receivables	13	83,137	98,878
Held-for-trading investments		77,298	59,951
Finance lease payment receivables	10	103,876	45,734
Loan and interest receivables	14	87,735	70,167
Tax recoverable		31	78
Structured deposit		–	18,750
Restricted bank deposits		–	5,622
Cash and bank balances	15	128,876	172,778
		614,239	726,757
Total assets		811,764	1,007,905

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2018

		30 September 2018	31 March 2018
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		Unaudited	Audited
EQUITY			
Capital and reserves			
Share capital	16	73,612	73,612
Reserves		700,481	781,608
		<hr/>	<hr/>
Total equity attributable to owners of the Company		774,093	855,220
Non-controlling interests		(10,071)	13,955
		<hr/>	<hr/>
Total equity		764,022	869,175
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
LIABILITIES			
Current liabilities			
Trade payables	17	1,127	51,856
Contract liabilities		2,654	–
Bills payables		–	5,622
Accruals, other payables and deposits received	18	31,640	61,211
Amount due to a director	19	2,828	5,389
Amount due to non-controlling interests	20	244	995
Tax payables		9,249	13,657
		<hr/>	<hr/>
Total liabilities		47,742	138,730
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity and liabilities		811,764	1,007,905
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Attributable to owners of the Company						Sub-total HK\$'000	Attributable to non-controlling interests	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Surplus reserve HK\$'000	Accumulated losses HK\$'000		Share of net assets of a subsidiaries HK\$'000	
For the six months ended 30 September 2018									
At 1 April 2018 (as previously reported)	73,612	795,408	34,178	28,213	2,556	(78,747)	855,220	13,955	869,175
Change in accounting policy	-	-	-	(507)	-	(10,282)	(10,789)	(1)	(10,790)
At 1 April 2018 (restated) (unaudited)	73,612	795,408	34,178	27,706	2,556	(89,029)	844,431	13,954	858,385
Comprehensive income									
Loss for the period	-	-	-	-	-	(3,150)	(3,150)	(3,070)	(6,220)
Other comprehensive income									
Exchange difference on translation of financial statements of foreign operations	-	-	-	(67,219)	-	-	(67,219)	667	(66,552)
Transactions with owners									
Disposal of a subsidiary	-	-	-	31	-	-	31	(21,622)	(21,591)
Transfer to statutory reserve	-	-	-	-	188	(188)	-	-	-
At 30 September 2018	73,612	795,408	34,178	(39,482)	2,744	(92,367)	774,093	(10,071)	764,022
For the six months ended 30 September 2017									
At 1 April 2017	73,612	795,408	34,178	(47,621)	1,001	(28,785)	827,793	17,254	845,047
Comprehensive income									
Loss for the period	-	-	-	-	-	(23,139)	(23,139)	(781)	(23,920)
Other comprehensive income									
Exchange difference on translation of financial statements of foreign operations	-	-	-	32,254	-	-	32,254	(451)	31,803
Transactions with owners									
Contribution from a non-controlling shareholder	-	-	-	-	-	-	-	3,920	3,920
At 30 September 2017	73,612	795,408	34,178	(15,367)	1,001	(51,924)	836,908	19,942	856,850

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

		Six months ended	
		30 September	
		2018	2017
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		Unaudited	Unaudited
Net cash (used in)/generated from operating activities		(81,571)	2,106
Net cash generated from investing activities		99,558	32,244
Net cash (used in)/generated from financing activities		(2,561)	1,519
Increase in cash and cash equivalents		15,426	35,869
Cash and cash equivalents at beginning of period		172,778	98,144
Effect of foreign exchange rate changes, net		(59,328)	28,461
Cash and cash equivalents at end of period	<i>15</i>	128,876	162,474

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 General information

Noble Century Investment Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of the Company’s business in Hong Kong is situated at Suite 2202, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (together, the “Group”) is principally engaged in vessel chartering, trading, money lending and finance leasing.

These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) unless otherwise stated. These unaudited condensed consolidated interim financial statements have been reviewed by the Audit Committee and approved for issue by the Board of the Company on 28 November 2018.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 of the Listing Rules.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2018.

These unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, except for investment property, held-for-trading investments, structured deposit and other financial asset, which have been measured at fair value.

The accounting policies adopted for preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2018 except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which in collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA as disclosed below.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard (Continued)

Application of new standards, amendments and interpretations

(a) *Effect of adopting amendments and interpretations*

During the period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2018.

HKFRS 1 (Amendments)	As part of the Annual Improvements HKFRS 2014-2016 Cycle
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 (Amendments)	Clarification to HKFRS 15
HKAS 28 (Amendments)	As part of the Annual Improvements HKFRS 2014-2016 Cycle
HKAS 40 (Amendments)	Transfers of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

Save as disclosed below, the application of the above new and amended standards from 1 April 2018 has no material impact on the amounts and/or disclosures reported in this unaudited condensed consolidated interim financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. As permitted by the transitional provisions of HKFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings of the current period.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard (Continued)

Application of new standards, amendments and interpretations (Continued)

(a) Effect of adopting amendments and interpretations (Continued)

HKFRS 9 Financial Instruments (Continued)

(a) Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss ("FVTPL"); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period, the Group changes its business model for managing financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) Measurement

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, in the case of financial asset not at FVTPL, transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard (Continued)

Application of new standards, amendments and interpretations (Continued)

(a) Effect of adopting amendments and interpretations (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Measurement (Continued)

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

The application of HKFRS 9 on 1 April 2018 has no material impact on the unaudited condensed consolidated interim financial statements of the Group with regards to classification of financial instruments.

The impact on the measurement (including impairment) of financial assets subject to expected credit losses under HKFRS 9 and HKAS 39 at the date of initial application on 1 April 2018 is illustrated below.

(c) Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables and finance lease payment receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets.

For all other financial instruments are measured as either 12-month expected credit losses (the "12m ECL") or lifetime expected credit losses (the "Lifetime ECL"), depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. To measure the expected credit losses, the financial assets are grouped on the basis of shared credit risk characteristics and the days past due.

As at 1 April 2018, an additional credit loss allowance of HK\$10,282,000 has been recognised against retained profits. The additional loss allowance is charged against the trade receivables, deposits, prepayments and other receivables, loan and interest receivables and finance lease payment receivables.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard (Continued)

Application of new standards, amendments and interpretations (Continued)

(a) Effect of adopting amendments and interpretations (Continued)

HKFRS 9 Financial Instruments (Continued)

All loss allowances as at 31 March 2018 reconcile to the opening balances of trade receivables, deposits, prepayments and other receivables, loan and interest receivables and finance lease payment receivables as at 1 April 2018 is as follows:

	Trade receivables	Deposits, prepayments and other receivables	Loan and interest receivables	Finance lease payment receivables	Total
At 31 March 2018 (audited)					
– HKAS 39	12,383	20,225	489	–	33,097
Amounts remeasured through opening retained profits	<u>7,285</u>	<u>799</u>	<u>678</u>	<u>1,520</u>	<u>10,282</u>
At 1 April 2018 (unaudited)	<u>19,668</u>	<u>21,024</u>	<u>1,167</u>	<u>1,520</u>	<u>43,379</u>

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The Group has adopted HKFRS 15 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application. Accordingly, the information relating to the comparative period has not been restated, i.e. it is presented, as previously reported, under HKAS 18, HKAS 11 and related interpretations.

Before adoption of HKFRS 15, revenue from (i) voyage chartering is recognised on a percentage-of-completion basis, which is determined on the time proportion method of each individual voyage; (ii) sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed; (iii) money lending interest income is recognised on a time-proportion basis using the effective interest method; and (iv) finance leasing income is recognised using the effective interest rate implicit in the lease over the term of the lease. Contingent rent is recognised as income in the period in which it is earned.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard (Continued)

Application of new standards, amendments and interpretations (Continued)

(a) Effect of adopting amendments and interpretations (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised goods or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised goods or service is regarded as being transferred over time:

- When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; and
- When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that goods or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

HKFRS 15 does not have impact on how the Group recognises revenue. However, the adoption of HKFRS 15 would affect the recognition and presentation of accruals, other payables and deposit received and contract liabilities.

The impact on the Group's financial position by the application of HKFRS 15 as compared to HKAS 18, HKAS 11 and related interpretations that was previously in effect before the adoption of HKFRS 15 is as follows:

	Carrying amount previously reported at 31 March 2018 HK\$'000 (Audited)	Impacts of adopting HKFRS 15 HK\$'000	Carrying amounts under HKFRS 15 at 1 April 2018* HK\$'000
Accruals, other payables and deposits received	61,211	(1,329)	59,882
Contract liabilities	–	1,329	1,329

* As at 1 April 2018, advances from customers of HK\$1,329,000 in respect of services contracts previously included in accruals, other payables and deposit received were reclassified to contract liabilities.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard (Continued)

Application of new standards, amendments and interpretations (Continued)

(b) *New standards and amendments that are not yet effective and have not been early adopted*

The Group has not early applied the following new or revised standards and amendments that have been issued but are not yet effective.

HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement ¹
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Venture ¹
Annual improvement projects	Annual improvements HKFRSs 2015-2017 Cycle ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹

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

² Effective for annual periods beginning on or after 1 January 2021.

³ Effective date to be determined.

The Group is in the process of assessment of the related impact of adoption of the above new or revised standards and anticipates that, except as described below, the application of the new or revised standards and anticipates will have no material impact on the results and the financial position of the Group.

HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$11,878,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

3 Revenue and segment information

The chief operating decision-maker has been identified as the Board of the Company. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group's operating businesses are structured and managed separately according to the nature of the operations. Each of the Group's reportable segments represents a strategic business unit that is subject to risks and returns that are different from other reportable operating segment.

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

- Vessel chartering segment engaged in voyage chartering in the People's Republic of China (the "PRC") and Southeast Asia region;
- Trading segment engaged in trading of goods in the PRC;
- Money lending segment engaged in provision of loan financing in Hong Kong and entrusted loan financing in the PRC; and
- Finance leasing segment engaged in provision of finance leasing and sale-leaseback in the PRC.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) earned/recorded by each segment without allocation of incomes or expenses which are not recurring in nature and unrelated to the Group's operating performance, including central administration costs, directors' emoluments and changes in fair value of held-for-trading investments.

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to operating segments other than investment property, goodwill, held-for-trading investments, other financial asset, cash and bank balances and other corporate assets.

The Board assesses the performance of the operating segments based on their underlying operating profit/(loss), which is measured by profit/(loss) before taxation.

3 Revenue and segment information (Continued)

(a) Segment revenue and results

Segment revenue and results	Six months ended 30 September 2018				Total HK\$'000 Unaudited
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	
Segment revenue	1,538	17,473	4,310	12,550	35,871
Segment results	(838)	(13,106)	2,217	7,755	(3,972)
Corporate expenses					(11,695)
Operating loss					(15,667)
Loss on disposal of subsidiaries					(5,473)
Realised gain on held-for-trading investments					6,021
Gain on changes in fair value of held-for-trading investments					8,916
Corporate income					3,629
Loss before taxation					(2,574)
Taxation					(3,646)
Loss for the period					(6,220)

3 Revenue and segment information (Continued)
(a) Segment revenue and results (Continued)

Segment revenue and results	Six months ended 30 September 2017					Total <i>HK\$'000</i> Unaudited
	Vessel chartering <i>HK\$'000</i> Unaudited	Trading <i>HK\$'000</i> Unaudited	Money lending <i>HK\$'000</i> Unaudited	Finance leasing <i>HK\$'000</i> Unaudited		
Segment revenue	<u>1,387</u>	<u>164,717</u>	<u>6,268</u>	<u>7,743</u>	<u>180,115</u>	
Segment results	<u>(120)</u>	<u>(3,866)</u>	<u>4,615</u>	<u>2,674</u>	<u>3,303</u>	
Corporate expenses					<u>(10,717)</u>	
Operating loss					(7,414)	
Loss on changes in fair value of held-for-trading investments					(15,443)	
Corporate income					<u>910</u>	
Loss before taxation					(21,947)	
Taxation					<u>(1,973)</u>	
Loss for the period					<u>(23,920)</u>	

3 Revenue and segment information (Continued)

(b) Segment assets and liabilities

Segment assets and liabilities	As at 30 September 2018 and six months ended 30 September 2018				Total HK\$'000 Unaudited
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	
Non-current assets					
Property, plant and equipment	19,185	1,103	8	77,509	97,805
Finance lease payment receivables	–	–	–	97,118	97,118
	19,185	1,103	8	174,627	194,923
Current assets	111	210,883	88,342	104,602	403,938
Segment assets	19,296	211,986	88,350	279,229	598,861
Unallocated:					
Cash and bank balances					128,876
Others					84,027
Total assets per balance sheet					811,764
Segment liabilities	14,414	10,244	1,434	17,158	43,250
Unallocated:					
Amount due to a director					2,828
Others					1,664
Total liabilities per balance sheet					47,742
Other segment information					
Capital expenditure	–	–	9	374	383
Unallocated capital expenditure					195
					578
Depreciation	485	128	2	1,891	2,506
Unallocated depreciation					972
					3,478

3 Revenue and segment information (Continued)
(b) Segment assets and liabilities (Continued)

Segment assets and liabilities	As at 30 September 2017 and six months ended 30 September 2017				Total HK\$'000 Unaudited
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	
Non-current assets					
Property, plant and equipment	20,821	91	2	79,573	100,487
Finance lease payment receivables	–	–	–	74,064	74,064
Loan and interest receivables	–	–	17,358	–	17,358
	<u>20,821</u>	<u>91</u>	<u>17,360</u>	<u>153,637</u>	<u>191,909</u>
Current assets	<u>9,582</u>	<u>437,143</u>	<u>73,453</u>	<u>79,458</u>	<u>599,636</u>
Segment assets	<u>30,403</u>	<u>437,234</u>	<u>90,813</u>	<u>233,095</u>	<u>791,545</u>
Unallocated:					
Cash and bank balances					162,474
Others					<u>84,801</u>
Total assets per balance sheet					<u>1,038,820</u>
Segment liabilities	<u>15,051</u>	<u>131,982</u>	<u>745</u>	<u>27,126</u>	<u>174,904</u>
Unallocated:					
Amount due to a director					5,475
Others					<u>1,591</u>
Total liabilities per balance sheet					<u>181,970</u>
Other segment information					
Capital expenditure	–	–	–	669	669
Unallocated capital expenditure					<u>2,603</u>
					<u>3,272</u>
Depreciation	382	14	–	1,654	2,050
Unallocated depreciation					<u>1,221</u>
					<u>3,271</u>

3 Revenue and segment information (Continued)

- (c) Revenue from customers contributed 10% or more of the total revenue of the Group are as follows:

	Six months ended 30 September	
	2018 HK\$'000 Unaudited	2017 HK\$'000 Unaudited
Customer A	15,271	107,699
Customer B	–	36,914
	15,271	144,613

The above customers are customers of trading business.

(d) Geographical information

The Group's revenue from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	Six months ended 30 September		As at	
	2018 HK\$'000 Unaudited	2017 HK\$'000 Unaudited	30 September 2018 HK\$'000 Unaudited	As at 31 March 2018 HK\$'000 Audited
PRC	34,278	177,944	191,308	225,803
Hong Kong	1,593	2,171	5,217	19,058
	35,871	180,115	196,525	244,861

The geographical location of customers is based on the location at which the goods delivered. The geographical location of the non-current assets excluding goodwill and other financial assets is based on physical location of the asset.

4 Other income

	Six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Exchange gain, net	2,956	27
Bank interest income	397	451
Unrealised gains on investment property revaluation	180	360
Rental income	794	247
Others	95	111
	4,422	1,196

5 Expenses by nature

	Six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Fuel cost	199	126
Cost of inventories sold	17,617	164,721
Storage fees	116	242
Staff costs, including directors' emoluments	8,809	9,120
Contribution to defined contribution retirement benefit scheme (including directors)	486	375
Auditor's remuneration	141	159
Entertainment	875	1,243
Depreciation	3,478	3,271
Operating lease charges in respect of property rental	1,742	1,841
Professional fees	865	3,140
Repairs and maintenance	387	–
Vessel management fee	250	244
Others	2,221	2,844
Total cost of sales and administrative expenses	37,186	187,326

6 Taxation

	Six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Current income tax		
– Hong Kong profits tax	47	24
– PRC corporation income tax	3,599	1,949
	3,646	1,973

Hong Kong profits tax

Under the two-tier profits tax rates regime effective from March 2018, the first HK\$2,000,000 of the estimated assessable profits of qualifying corporation will be taxed at 8.25%, and the estimated assessable profits above HK\$2,000,000 will be taxed at 16.5%. For the period ended 30 September 2018, Hong Kong profits tax of the qualified entity is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5% (period ended 30 September 2017: 16.5%).

PRC corporate income tax

The PRC corporate income tax in respect of operations in the PRC is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

Withholding tax on distributed/undistributed profits

The PRC tax law imposes a withholding tax at 10%, unless reduced by a tax treaty, for dividends distributed by PRC subsidiaries to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008.

Deferred taxation has not been provided in the unaudited condensed consolidated interim financial statements in respect of the temporary difference attributable to retained profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not release in the foreseeable future.

7 Interim dividends

The Directors do not recommend the payment of interim dividends in respect of the period (period ended 30 September 2017: Nil).

8 Losses per share

	Six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Loss attributable to shareholders	(3,150)	(23,139)
Weighted average number of ordinary shares, for the purposes of calculating basic losses per share (shares in thousands)	3,680,600	3,680,600
Basic losses per share	HK(0.09) cents	HK(0.63) cents

As there are no dilutive potential ordinary shares outstanding as at 30 September 2018 and 2017, the diluted losses per share are equal to the basic losses per share.

9 Movement in investment property

During the six months ended 30 September 2018, the Group recorded an unrealised gain of HK\$180,000 (period ended 30 September 2017: HK\$360,000) arising from changes in the fair value of the investment property. On 20 July 2018, the Group disposed its investment property located in Hong Kong under medium term lease through disposal of a subsidiary, at a consideration of approximately HK\$12,500,000. Details of which are set out in note 21(i).

10 Finance lease payment receivables

	30 September	31 March
	2018	2018
	HK\$'000	HK\$'000
	Unaudited	Audited
Current portion of finance lease payment receivables	104,925	45,734
Non-current portion of finance lease payment receivables	98,099	113,861
	203,024	159,595
Less: Provision for impairment	(2,030)	–
	200,994	159,595

10 Finance lease payment receivables (Continued)

	Minimum lease payments		Present value of minimum lease payments	
	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Within one year	122,128	62,015	103,876	45,734
In the second to fifth years, inclusive	111,858	132,990	97,118	113,861
	233,986	195,005	200,994	159,595
Less: Unearned finance income	(32,992)	(35,410)	N/A	N/A
Present value of minimum lease payments receivable	200,994	159,595	200,994	159,595
Less: Current portion of finance lease payment receivables			(103,876)	(45,734)
Non-current portion of finance lease payment receivables			97,118	113,861

The movement in the provision for impairment of finance lease payment receivables is as follows:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
At the beginning of the reporting period	-	-
Amount remeasured through retained earnings	1,520	-
Provision for impairment	599	-
Currency translation difference	(89)	-
At the end of the reporting period	2,030	-

10 Finance lease payment receivables (Continued)

As at 30 September 2018 and 31 March 2018, the finance lease payment receivables were secured over the leased assets mainly by machineries and equipment. Certain finance lease payment receivables were also secured by security deposits and/or guaranteed by the guarantors.

All the Group's finance lease payment receivables are denominated in RMB and the maturity date for each finance lease contract is normally not more than 5 years. The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rate is approximately 11% to 23% (31 March 2018: approximately 5% to 18%) per annum.

There was no unguaranteed residual values of assets leased under finance leases as at 30 September 2018 (31 March 2018: Nil). No finance lease payment receivables at the end of the reporting period was past due. Since the adoption of HKFRS 9 on 1 April 2018, the Group applies the simplified approach to provide Lifetime ECL prescribed by HKFRS 9 for finance lease payment receivables. The management assessed the expected loss on all finance lease payment receivables collectively and the credit quality of finance lease payment receivables has been assessed by reference to historical information about counterparty default rates.

11 Inventories

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Bunkers on board	111	13
Frozen foodstuff*	—	1,681
	111	1,694

* *The Group recognised HK\$1,759,000 in respect of the losses on obsolete inventories and write-down of inventories for the year ended 31 March 2018.*

12 Trade receivables

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Trade receivables	161,996	249,105
Less: Provision for impairment	(28,906)	(12,383)
	133,090	236,722

The Group's trade receivables are generally with credit periods of 30 to 90 days (31 March 2018: 30 to 90 days). The maximum exposure to credit risk at the balance sheet date is the carrying amount of the trade receivables. The Group does not hold any collateral as security.

The carrying amounts of trade receivables approximate to their fair values.

An aged analysis of the trade receivables (net of provision for impairment) at the end of the reporting period, based on the date of invoice (or date of revenue recognition, if earlier), is as follows:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
0 to 30 days	867	51,044
31 to 60 days	–	2,785
61 to 90 days	–	–
91 to 180 days	10,488	57,395
181 to 270 days	51,970	7,650
271 to 365 days	29,220	13,565
Over 365 days	40,545	104,283
	133,090	236,722

12 Trade receivables (Continued)

Since the adoption of HKFRS 9 on 1 April 2018, the Group applies the simplified approach to provide Lifetime ECL prescribed by HKFRS 9 for these trade receivables. The management assessed the expected loss on trade receivables individually or collectively.

The individually impaired trade receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. For the trade receivables which are assessed collectively based on provision matrix, the estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The movement in the provision for impairment of trade receivables is as follows:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
At the beginning of the reporting period	12,383	–
Amount remeasured through opening retained profits	7,285	–
Provision for impairment	11,099	11,789
Currency translation difference	(1,861)	594
	28,906	12,383

The carrying amount of trade receivables is denominated at Renminbi.

13 Deposits, prepayments and other receivables

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Trade deposits paid	44,821	41,716
Value added tax recoverable	32,856	44,719
Other deposits paid, prepayments and other receivables	<u>28,359</u>	<u>32,668</u>
	106,036	119,103
Less: Provision for impairment	<u>(22,899)</u>	<u>(20,225)</u>
	<u>83,137</u>	<u>98,878</u>

Notes:

- (i) The carrying amounts of deposits, prepayment and other receivables are denominated in the following currencies:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
HK\$	4,210	6,673
EUR	–	–
RMB	<u>78,927</u>	<u>92,205</u>
	<u>83,137</u>	<u>98,878</u>

- (ii) The movement in the provision for impairment of deposits, prepayments and other receivables are as follows:

	30 September 2018 HK\$'000	31 March 2018 HK\$'000
At the beginning of the reporting period	20,225	9,229
Amount remeasured through retained earnings	799	–
Provision for impairment	2,896	10,480
Currency translation difference	<u>(1,021)</u>	<u>516</u>
At the end of the reporting period	<u>22,899</u>	<u>20,225</u>

14 Loan and interest receivables

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Loan receivables	88,320	75,627
Interest receivables	1,091	1,337
	89,411	76,964
Less: Provision for impairment	(1,676)	(489)
	87,735	76,475
Current portion of loan and interest receivables	87,735	70,167
Non-current portion of loan and interest receivables	-	6,308
	87,735	76,475
Analysed as:		
Within one year	87,735	70,167
In the second to fifth years, inclusive	-	6,308
	87,735	76,475

14 Loan and interest receivables (Continued)

The carrying amounts of the loan and interest receivables are denominated in the following currencies:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
HK\$	26,252	21,499
RMB	61,483	54,976
	87,735	76,475

The movement in provision for impairment on loan and interest receivables are as follows:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
At the beginning of the reporting period	489	–
Amount remeasure through retained earnings	678	–
Provision for impairment	551	489
Currency translation difference	(42)	–
At the end of the reporting period	1,676	489

One of the loan receivables with principal amount of RMB17,249,000 (equivalent to approximately HK\$19,664,000) as at 30 September 2018, failed to make installment (the "Past Due Installment") to the loan and interest receivable in the amount of approximately RMB2,387,000 (equivalent to approximately HK\$2,721,000). Subsequent to the reporting period, the Past Due Installment has been fully settled.

Loan receivables are interest-bearing at approximately 13% to 18% (31 March 2018: approximately 4% to 18%) and are repayable with fixed terms agreed with the Group's customers. The maturity date for each loan contract is normally not more than 3 years (31 March 2018: 4 years) and were unsecured. The management consider that the fair values of loan receivables are not materially different from their carrying amounts. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the receivables mentioned above.

Since the adoption of HKFRS 9 on 1 April 2018, the Group applies the general approach to provide for expected credit losses prescribed by HKFRS 9 for loan and interest receivables, which permits the use of the 12m ECL provision for these loan and interest receivables, unless there has been a significant increase in credit risk since initial recognition, which the Group then recognises lifetime ECL. The management assessed the expected loss on all loan and interest receivables individually or collectively and the credit quality of loan and interest receivables has been assessed by reference to historical information about counterparty default rates.

15 Cash and cash equivalents

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Cash at bank and on hand	128,876	172,778

The carrying amounts of cash and bank balances are denominated in the following currencies:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
HK\$	30,548	2,409
US\$	595	4,080
EUR	4	430
RMB	97,729	165,859
	128,876	172,778

The conversion of RMB-denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

16 Share capital**(a) Authorised capital**

	Number of shares	Nominal value HK\$'000
As at 1 April 2017, 31 March 2018 (audited) and 30 September 2018 (unaudited), ordinary shares of HK\$0.02 each	5,000,000,000	100,000

(b) Issued and fully paid capital

	Number of shares	Nominal value HK\$'000
As at 1 April 2017, 31 March 2018 (audited) and 30 September 2018 (unaudited), ordinary shares of HK\$0.02 each	3,680,600,000	73,612

17 Trade payables

An aged analysis of the trade payables is as follows:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
0 to 90 days	-	-
91 to 180 days	-	-
181 to 365 days	-	-
more than 365 days	<u>1,127</u>	<u>51,856</u>
	<u>1,127</u>	<u>51,856</u>

The carrying amount of trade payables is denominated at Renminbi.

18 Accruals, other payables and deposits received

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Deposits received (<i>Note (i)</i>)	11,628	11,437
Accruals and other payables (<i>Note (iii)</i>)	<u>20,012</u>	<u>49,774</u>
	<u>31,640</u>	<u>61,211</u>

Notes:

- (i) The amount represents the security deposits received from customers of finance leasing business.

18 Accruals, other payables and deposits received (Continued)*Notes: (Continued)*

- (ii) Included in the accruals and other payables was RMB12 million (equivalent to approximately HK\$13.68 million) (31 March 2018: RMB12 million (equivalent to approximately HK\$15 million)), being a bank loan (the "Vessel Loan") due by the vendor (the "Vendor") to a bank in the PRC (the "PRC Bank") to be paid up by the Group in respect of the Group's acquisition of a vessel (the "Vessel") in prior year. As the Vendor and the PRC Bank were still in negotiation with the repayment arrangement, it has yet been repaid and was accounted for as other payables as at 30 September 2018 and 31 March 2018. The Vessel Loan is secured by the Vessel of the Group with a carrying value of HK\$19.2 million (31 March 2018: HK\$21.5 million) as at 30 September 2018.
- (iii) The carrying amounts of accruals, other payables and deposits received are denominated in the following currencies:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
HK\$	2,828	3,716
US\$	370	370
EUR	379	404
RMB	28,063	56,721
	31,640	61,211

19 Amount due to a director

Amount due to a director is unsecured, interest free and repayable on demand. The carrying amount of the balance is denominated in HK\$ and is approximate to its fair value.

20 Amount due to non-controlling interest

Amount due to non-controlling interest is unsecured, interest free and repayable on demand. The carrying amount of balance is denominated in RMB and is approximate to its fair value.

21 Loss on disposal of subsidiaries

- (i) On 20 July 2018, the Group entered into a disposal agreement (the “EK Disposal”) with an independent third party, pursuant to which, the Group (i) disposed of its 100% equity interest in Empower King Limited (“Empower King”), an indirect wholly owned subsidiary of the Company; and (ii) assigned the shareholder’s loan of approximately HK\$11.4 million in full owing from Empower King to the Group for a cash consideration of HK\$12.5 million.

The EK Disposal was completed on 31 August 2018. The major classes of assets and liabilities of Empower King as at the completion date of the EK Disposal were as follows:

	<i>HK\$'000</i>
	Unaudited
Plant and equipment	11
Investment property	13,180
Amount due to the Group	<u>(11,405)</u>
	1,786
Assignment of amount due to the Group	<u>11,405</u>
	13,191
Loss on disposal of a subsidiary	<u>(691)</u>
	<u>12,500</u>
Satisfied by:	
Cash	<u>12,500</u>
Net cash inflow arising on the disposal is as follows:	
Consideration settled in cash	<u>12,500</u>

21 Loss on disposal of subsidiaries (Continued)

- (ii) On 24 September 2018, the Group entered into a disposal agreement (the "QJ Disposal") with a director and shareholder (the "QJ Shareholder") of 25% equity interest in Shenzhen Qianhai Jiulongfu Industrial Company Limited ("Qianhai Jiulongfu"), an indirect non-wholly owned subsidiary of the Company, pursuant to which, the Group disposed of its 75% equity interest in Qianhai Jiulongfu to the QJ Shareholder for a cash consideration of approximately RMB31.2 million.

The QJ Disposal was completed on 27 September 2018. The major classes of assets and liabilities of Qianhai Jiulongfu as at the completion date of the QJ Disposal were as follows:

	<i>HK\$'000</i>
	Unaudited
Deposits, prepayments and other receivables	55,334
Inventories	2,225
Cash and bank balance	341
Accruals, other payables and deposit received	(6)
Tax payable	(206)
Amount due to a non-controlling interests	(664)
	<u>57,024</u>
Less: Non-controlling interest	<u>(21,622)</u>
	35,402
Other financial asset arising from the acquisition of Qianhai Jiulongfu	4,822
Release of cumulative exchange differences on translation of foreign operations	31
Loss on disposal of a subsidiary	<u>(4,782)</u>
	<u>35,473</u>
Satisfied by:	
Cash	<u>35,473</u>
Net cash inflow arising on the disposal is as follows:	
Consideration settled in cash	35,473
Cash and bank balances disposed	<u>(341)</u>
	<u>35,132</u>

22 Related party transactions**Key management compensation**

The remuneration of key management personnel of the Group during the period was as follows:

	30 September 2018 HK\$'000 Unaudited	30 September 2017 HK\$'000 Unaudited
Salaries, allowances and other benefits	4,399	4,287
Contributions to retirement benefits scheme	45	54
	4,444	4,341

Apart from the above, the Group disposed of its 75% equity interest in Qianhai Jiulongfu to a director and shareholder of Qianhai Jiulongfu at a consideration of RMB31.2 million, details of which are set out in note 21(ii).

23 Commitments**(a) Capital commitments**

The Group had the following capital commitments as at the end of the reporting period:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Contracted but not provided for:		
– Capital contribution to a non-wholly owned subsidiary	–	149,551

23 Commitments (Continued)**(b) Operating lease commitments**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Not later than 1 year	3,716	2,142
Later than 1 year but not later than 5 years	8,162	–
	11,878	2,142

None of the leases include contingent rentals.

(c) Operating lease rental receivable

The Group had contracted with tenants for the following future minimum lease payments receivable under non-cancellable operating lease:

	30 September 2018 HK\$'000 Unaudited	31 March 2018 HK\$'000 Audited
Not later than 1 year	342	1,260

24 Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$35.9 million with a gross profit of approximately HK\$16.2 million during the six months ended 30 September 2018 as compared to approximately HK\$180.1 million and approximately HK\$13.3 million respectively for the same period in 2017. The significant decrease in turnover of approximately HK\$144.2 million was mainly attributable to the unsatisfactory performance of the Group's trading business during the period whilst the slightly increase in gross profit of approximately HK\$2.9 million was mainly attributed by the finance leasing business.

The loss before taxation for the period was approximately HK\$2.6 million whilst approximately HK\$21.9 million was recorded for the last corresponding period. The decrease in loss for the period was mainly attributable to the recognition of the followings:

- (i) there was a loss on changes in fair value of held-for-trading investments of approximately HK\$15.4 million during the last corresponding period whilst a gain of approximately HK\$8.9 million was recorded during the six months ended 30 September 2018;
- (ii) a realised gain on held-for-trading investments of approximately HK\$6 million;
- (iii) a loss on disposal of subsidiaries of approximately HK\$5.5 million; and
- (iv) an impairment loss on financial assets with an aggregate amount of approximately HK\$15.1 million was provided during the six months ended 30 September 2018.

As at 30 September 2018, the unaudited total assets and net assets of the Group were approximately HK\$811.8 million (31 March 2018: approximately HK\$1,007.9 million) and approximately HK\$764.0 million (31 March 2018: approximately HK\$869.2 million) respectively. The Board does not recommend the payment of interim dividends for the period.

BUSINESS REVIEW AND OUTLOOK

Vessel Chartering

The Group currently owned a vessel which is a multi-purpose deck cargo ship with focus on carriage of construction material and waste in the PRC and Southeast Asia region. As disclosed in the annual report of the Group for the year ended 31 March 2018, the Group has secured a one year chartering contract (the "Chartering Contract") for its vessel in February 2018. However, the vessel was out of order during the period, as such the Chartering Contract has been terminated. The vessel has been fixed and is in operation subsequently.

The vessel attributed a turnover of approximately HK\$1.5 million with a loss of approximately HK\$838,000 during the six months ended 30 September 2018 whilst a turnover of approximately HK\$1.4 million with a loss of approximately HK\$120,000 was recognised for the last corresponding period. The Board expects the vessel chartering business of the Group will be stable in the coming periods. The Board will take caution measures to closely monitor the efficiency and effectiveness of the operation of the Group's vessel chartering business.

Trading Business

During the period, the Group is principally engaged in seafood, frozen meat, electronics and other commercial products trading business in the PRC. The Group recorded a turnover of approximately HK\$17.5 million with a loss of approximately HK\$13.1 million from its trading business during the six months ended 30 September 2018 as compared to approximately HK\$164.7 million and a loss of approximately HK\$3.9 million respectively for the same period in 2017. The increase in loss of this segment was mainly attributable to the provision of impairment loss on trade receivables.

The Group's food trading business, comprising seafood and frozen meat products, recorded a turnover of approximately HK\$17.3 million for the six months ended 30 September 2018, as compared to approximately HK\$125.3 million for the last corresponding period. As disclosed in the annual report of the Group for the year ended 31 March 2018, the frozen meats smuggling problem in the PRC continues to be serious and yet to be solved during the period. As such, upon selling of all the remaining inventories as at 31 March 2018, the Group has not stocked up further frozen meat products during the period. The competition of the seafood market in the PRC was keen during the period and the turnover attributable to the Group has been dropped significantly during the six months ended 30 September 2018.

Looking forward, the Group will prudently manage its food trading business by minimizing operational risks through rigorous purchase and stringent cost control.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Trading Business (Continued)

The Group's electronic products trading is principally engaged in trading of smartphones and parts of communication equipment which are the core components for mobile phones. The Group recorded a turnover of approximately HK\$200,000 from trading of electronic and other commercial products for the six months ended 30 September 2018, as compared to approximately HK\$39.4 million for the last corresponding period. The Group's electronic products trading business is expected to face difficulties in the coming periods due to the trade war between the PRC and the United States (the "Trade War"). As such, the Group entered into a disposal agreement on 24 September 2018, pursuant to which, the Group disposed of its 75% equity interest in Qianhai Jiulongfu, an indirect non-wholly owned subsidiary of the Company which is principally engaged in trading of electronic products, for a cash consideration of RMB31.2 million, details of which are set out in note 21(ii) to the unaudited condensed consolidated interim financial statements.

The Group will closely monitor the development of the Trade War and its impact to the electronic products market in the PRC in order to cultivate a direction and policy to cope with the ever changing operating environment.

Money Lending Business

The Group's money lending business has been steadily developed during the period. There were loan portfolio in Hong Kong with principal amount of approximately HK\$26.5 million and three entrusted loans granted in the PRC with outstanding principal amount of approximately RMB54.2 million (equivalent to approximately HK\$61.8 million) as at 30 September 2018. The Group recognized an aggregate interest income of approximately HK\$4.3 million and a profit of approximately HK\$2.2 million for the six months ended 30 September 2018 as compared to approximately HK\$6.3 million and HK\$4.6 million respectively for the last corresponding period. The Group adopted a prudent risk management policy, with the money lending business continuously carrying out regular review of credit risk over the existing borrowers. While the Group will proactively explore customers with good quality to expand its business scale, it will continue to adopt a prudent credit risk management strategy to ensure a healthy development in its money lending business.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Finance Leasing Business

The Group is engaged in the finance leasing business in the PRC. The finance leasing business has attributed a turnover of approximately HK\$12.6 million with a profit of approximately HK\$7.8 million to the Group during the period ended 30 September 2018 as compared to approximately HK\$7.7 million and HK\$2.7 million respectively for the last corresponding period.

The finance leasing business continue to provide the Group with stable revenue under the controllable risk. Looking ahead, the Board believes that the finance leasing market in the PRC will still have a great business potential. It is expected that the Group's finance leasing business will record an accelerating growth in the coming years.

Apart from development of the finance lease business by expansion of its customers base, by penetrating into different industries with focus on new energy and new materials, education and cold storage and cold chain sectors which have better cash flows and less cyclical effects, the Group has also provided customers with capital financing by way of financial lease and commercial factoring while established a corporate consultancy service company to provide customers with the economic and financial information consultancy services in a bid to extend the profit growth.

Securities Investments

The Group has further invested surplus funds in securities listed in Hong Kong during the period. The fair value of the Group's securities investment amounted to approximately HK\$77.3 million as at 30 September 2018. The Group recorded an unrealised gain on changes in fair value of held for trading investments of approximately HK\$8.9 million during the period as compared to a loss of approximately HK\$15.4 million for the last corresponding period. The Group disposed certain of the held for trading investments with a realised gain of approximately HK\$6 million for the six months ended 30 September 2018. The management will continue to adopt prudent approach in investment and monitor the stock markets closely and keep looking for opportunities to realise gains from its investment portfolio.

Looking forward, the Group will actively identify and explore other investment and business opportunities to broaden its assets and revenue base. The Group will cautiously search for investment opportunities so as to produce a steady growth in the Group's long term performance.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

The Group generally finances its operations with internally generated resources.

As at 30 September 2018, the Group had cash and bank balances of approximately HK\$128.9 million (31 March 2018: approximately HK\$172.8 million) and total borrowings of approximately HK\$2.8 million (31 March 2018: approximately HK\$5.4 million). The Group's gearing ratio, calculated by dividing total borrowings by total equity, was 0.37% as at the end of the period (31 March 2018: 0.62%). The liquidity ratio, being the ratio of current assets over current liabilities, was 12.87 (31 March 2018: 5.24) as at 30 September 2018.

There was no material change in the gearing ratio for the period. The improvement in the Group's liquidity ratio was mainly attributable to the decrease in trade payables and accruals and other payables during the period.

FOREIGN EXCHANGE EXPOSURE

Operations of the Group are mainly conducted in Hong Kong dollar ("HK\$"), Renminbi ("RMB"), Euro ("EUR") and United States dollar ("US\$"), and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$, RMB, EUR and US\$.

The Group does not enter into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividends for the period.

CAPITAL STRUCTURE

As at 30 September 2018, the total number of issued shares of the Company was 3,680,600,000.

There was no change in the capital structure of the Company during the period.

CHARGES ON GROUP ASSETS

As at 30 September 2018, the vessel of the Group with carrying value of approximately HK\$19.2 million was pledged to secure an other payable, details of which are set out in note 18(ii) to the unaudited condensed consolidated interim financial statements.

SIGNIFICANT ACQUISITION AND DISPOSAL OF ASSETS

On 20 July 2018, the Group entered into a disposal agreement (the “EK Disposal”) with an independent third party, pursuant to which, the Group (i) disposed of its 100% equity interest in Empower King Limited (“Empower King”), an indirect wholly owned subsidiary of the Company which holds an investment property in Hong Kong; and (ii) assigned the shareholder’s loan of approximately HK\$11.4 million in full owing from Empower King to the Group for a cash consideration of HK\$12.5 million.

The EK Disposal was completed on 31 August 2018 with a loss of approximately HK\$691,000.

On 24 September 2018, the Group entered into a disposal agreement (the “QJ Disposal”) with a director and shareholder (the “QJ Shareholder”) of 25% equity interest in Shenzhen Qianhai Jiulongfu Industrial Company Limited (“Qianhai Jiulongfu”), an indirect non-wholly owned subsidiary of the Company which is principally engaged in trading of electronic products. Pursuant to the disposal agreement, the Group disposed of its 75% equity interest in Qianhai Jiulongfu to the QJ Shareholder for a cash consideration of RMB31.2 million.

The QJ Disposal was completed on 27 September 2018 with a loss of approximately HK\$4.8 million which represents the derecognition of a financial asset arising from the acquisition of the subsidiary.

Save as disclosed above and the acquisition and disposal of held-for-trading investments in securities as mentioned below, there has been no significant acquisition and disposal of assets by the Group during the period.

SECURITIES INVESTMENTS HELD

During the period, the Group further invested in held-for-trading investments in securities in Hong Kong (the "Securities Investments"). As at 30 September 2018, the Group had Securities Investments with a market value of HK\$77.3 million, representing an investment portfolio of eight listed equities in Hong Kong. The Group recorded an unrealised fair value gain of approximately HK\$8.9 million (period ended 30 September 2017: loss of approximately HK\$15.4 million) in respect of the Securities Investments during the period. The details of the Securities Investments as at 30 September 2018 are as follows:

Company name	Stock code	Principal activities	Number of shares held/ (disposed)	% of shareholdings	Cost of acquisition HK\$'000	Fair value as at 30 September 2018 HK\$'000	% of net assets of the Group as at 30 September 2018	Unrealised gain/(loss) on fair value change for the year HK\$'000	Realised gain/(loss) for the period HK\$'000
1 Hsin Chong Group Holdings Limited	404	Building construction, civil engineering, electrical and mechanical installation, property development and investment	10,000,000	0.18%	10,000	-	-	-	-
2 Royal Century Resources Holdings Limited	8125	Provision of design and fitting-out services and design and procurement of furnishings and related products services, money lending and sourcing and merchandising of fine and rare wines	8,000,000	2.20%	9,600	1,680	0.22%	(1,640)	-
3 China Best Group Holding Limited	370	Air freight forwarding and brokers for airline and shipping companies, trading of securities and goods, freight forwarding agent, provision of finance lease services, finance consultancy services, money lending services, securities brokerage services and futures brokerage services	60,000,000	0.59%	12,660	6,120	0.80%	1,380	-
4 Evershine Group Holdings Limited	8022	Trading business, mobile application business, properties development and investment business, cemetery business and money lending business	27,000,000	1.50%	9,855	37,800	4.95%	8,910	-
5 Huiyin Holdings Group Limited	1178	Manufacturing and trading of BIO energy products, healthcare food products, edible bird's nest, electronic and scandium oxide products and honey products and properties investments	83,850,000	1.41%	5,870	2,264	0.30%	(1,342)	-
6 Goldway Education Group Limited	8160	Provision of tutoring services	25,692,000	4.92%	15,077	16,186	2.12%	3,187	-

SECURITIES INVESTMENTS HELD (CONTINUED)

Company name	Stock code	Principal activities	Number of shares held/ (disposed)	% of shareholdings	Cost of acquisition HK\$'000	Fair value as at 30 September 2018 HK\$'000	% of net assets of the Group as at 30 September 2018	Unrealised gain/(loss) on fair value change for the year HK\$'000	Realised gain/(loss) for the period HK\$'000	
7	China Water Industry Group Limited	1129	Provision of water supply, sewage treatment and construction services and exploitation and sale of renewable energy in the PRC	5,000,000	0.31%	6,900	6,750	0.88%	(150)	-
8	Wing Chi Holdings Limited	6080	Provision of foundation and site formation works and machineries leasing	12,996,000	1.39%	7,928	6,498	0.85%	(1,430)	-
						<u>77,890</u>	<u>77,298</u>		<u>8,915</u>	<u>-</u>
Equity disposed during the year										
	Goldway Education Group Limited	8160			(1,500,000)	880				(129)
	Indigo Star Holdings Limited	8373			(10,000,000)	7,800				6,150
						<u>8,680</u>				<u>6,021</u>

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2018.

COMMITMENTS

Details of the Group's commitments as at 30 September 2018 are set out in note 23 to the unaudited condensed consolidated interim financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018, the Group employed approximately 57 employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its Directors and employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

DIRECTORS' INTERESTS IN CONTRACTS

Other than the transactions as disclosed in note 22 to the unaudited condensed consolidated interim financial statements, no contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party in which a director of the Company had a material interest, whether directly or indirectly, subsisted at 30 September 2018 or at any time during the period then ended.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2018, the interests and short positions of the Directors and the chief executives of the Company and their associates in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register as required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

Directors' interest in the Company:

Name of director	Number of shares	Approximate percentage of shareholding	Capacity
Ms. Zheng Juhua	Long position 834,767,140 shares (Notes (i))	22.68%	Interest of the controlled corporations

Note:

- (i) 834,767,140 shares were held by Superb Smart Limited ("Superb Smart"), a company wholly and beneficially owned by Ms. Zheng Juhua, and accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO.

Save as disclosed above, as at 30 September 2018, none of the Directors nor chief executive of the Company had or was deemed to have any interested or short positions in the shares, underlying shares and/or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to Model Code.

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the “Share Option Scheme” section below, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of eighteen, had any right to subscribe for the securities of the Company, or had exercised any such rights during the period ended 30 September 2018.

SUBSTANTIAL SHAREHOLDERS’ INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2018, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or persons who had 5% or more interests in the following long positions in the shares and underlying shares as recorded in the register required to be kept under Section 336 of the SFO or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (the “Voting Entitlements”) (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

Name of substantial shareholder	Number of shares	Approximate percentage of shareholding	Capacity
Ms. Zheng Juhua	Long position 834,767,140 shares (Note (ii))	22.68%	Interest of controlled corporations
Superb Smart Limited	Long position 834,767,140 shares (Note (ii))	22.68%	Beneficial owner
Sea Venture Investments Limited	Long position 304,864,860 shares (Note (iii))	8.28%	Beneficial owner
	Short position 304,864,860 shares (Note (iii))	8.28%	Beneficial owner
China Construction Bank Corporation	Long position 304,864,860 shares (Note (iii))	8.28%	Interest of controlled corporations
	Short position 304,864,860 shares (Note (iii))	8.28%	Interest of controlled corporations

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Name of substantial shareholder	Number of shares	Approximate percentage of shareholding	Capacity
CCB International Group Holdings Limited	Long position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
	Short position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
CCB Financial Holdings Limited	Long position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
	Short position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
CCB International (Holdings) Limited	Long position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
	Short position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
CCBI Investments Limited	Long position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
	Short position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
Central Huijin Investment Limited	Long position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
	Short position 304,864,860 shares <i>(Note (iii))</i>	8.28%	Interest of controlled corporations
Dragon Mind Holdings Limited	Long position 341,132,000 shares <i>(Note (iii))</i>	9.26%	Beneficial owner
Managecorp Limited	Long position 341,132,000 shares <i>(Note (iii))</i>	9.26%	Trustee
Mr. Zhang Lirui	Long position 341,132,000 shares <i>(Note (iii))</i>	9.26%	Founder of a discretionary trust

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Notes:

- (i) 834,767,140 shares were held by Superb Smart, a company wholly and beneficially owned by Ms. Zheng Juhua, and accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO.
- (ii) The 304,864,860 shares (the "Relevant Shares") were held by Sea Venture Limited ("Sea Venture"), which is wholly owned by CCBI Investments Limited.

Each of CCBI Investments Limited, CCB International (Holdings) Limited, CCB Financial Holdings Limited and CCB International Group Holdings Limited is wholly owned by China Construction Bank Corporation.

Accordingly, each of CCBI Investments Limited, CCB International (Holdings) Limited, CCB Financial Holdings Limited, CCB International Group Holdings Limited and China Construction Bank Corporation (collectively, the "CCB Companies") is deemed to be interested in the Relevant Shares under the SFO.

China Construction Bank Corporation is owned as to 57.11% by Central Huijin Investment Limited ("Central Huijin"). Accordingly, Central Huijin is deemed to be interested in the Relevant Shares under the SFO.

Sea Venture was granted a put option for the Relevant Shares. As such, Sea Venture, the CCB Companies and Central Huijin are deemed to have a short position and to be interested in the relevant option shares.

- (iii) 341,132,000 shares were held by Dragon Mind Holdings Limited which is wholly-owned by a discretionary trust of which Mr. Zhang Lirui ("Mr. Zhang") is the settlor and Managecorp Limited (the "Managecorp") is the trustee, and accordingly, Mr. Zhang and Managecorp are deemed to be interested in the relevant shares under the SFO.

Save as disclosed above, the Directors are not aware of any other corporations or person who, as at 30 September 2018, had the Voting Entitlements or any interests or short positions in the Shares or underlying shares as recorded in the register required to be kept under Section 336 of the SFO.

SHARE OPTIONS SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 2 September 2013 and the Stock Exchange granting approval of the listing of and permission to deal in the shares to be issued under the Share Option Scheme on 3 September 2013.

The Share Option Scheme shall be valid and effective for a period of 10 years from 2 September 2013, unless otherwise terminated. The purpose of the Share Option Scheme is to provide the Company with a flexible and effective means of incentivizing, rewarding, remunerating, compensating and/or providing benefits to the directors, employees and other participants of the Company and the Group.

The exercise price, vesting period, exercisable period and the number of shares subject to each option will be determined by the Board at the time of grant. No option has been granted by the Company under the Share Option Scheme since its adoption to the date of this report.

CORPORATE GOVERNANCE

The Company endeavors in maintaining good corporate governance for the enhancement of shareholders’ value. The Company has adopted the code provisions in the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 to the Listing Rules. The Company has complied with all the applicable code provisions in the Code throughout the six months ended 30 September 2018.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares during the six months ended 30 September 2018.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the period under review and up to the date of this report, the Directors had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

Director	Name of company	Nature of business	Nature of interests
Mr. Chan Chi Yuen	Royal Century Resources Holdings Limited ("Royal Century") and its subsidiaries	Money lending business	Chairman and executive director of Royal Century
Ms. Wang Yingqian	Fortunes United International Leasing Co., Ltd ("Fortunes United")	Finance leasing business	Supervisor of Fortunes United
	China Best Group Holding Limited ("China Best") and its subsidiaries	Trading of electronic products, money lending and finance leasing business	Chairman and non-executive director of China Best
Mr. Chi Chi Hung, Kenneth	DeTai New Energy Group Limited ("DeTai") and its subsidiaries	Money lending business	Executive director of DeTai

As the board of Directors (the "Board") is independent to the boards of the above mentioned companies, the Group is capable of carrying on its business independently of, and at arm's length, from the business of those companies.

Save as disclosed above, none of the Directors was interested in any business (apart from the Group's business) which competed or was likely to compete, either directly or indirectly, with the business of the Group during the period.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Securities Dealing Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the Securities Dealing Code throughout the six months ended 30 September 2018.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chi Chi Hung, Kenneth (Chairman), Mr. Yu Pak Yan, Peter and Mr. Man Kwok Leung. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2018.

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Name of Director	Details of Change
Mr. Chan Chi Yuen	– resigned as an independent non-executive director of Affluent Partners Holdings Limited (stock code: 1466), the shares of which are listed on the Stock Exchange, on 13 September 2018.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25 per cent of the Company's issued shares at the latest practicable date (28 November 2018) prior to the issue of this report.

BOARD OF DIRECTORS

As at the date of this report, the executive Directors of the Company are Ms. Zheng Juhua, Mr. Chan Chi Yuen and Ms. Wang Yingqian; the independent non-executive Directors are Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth.

APPRECIATION

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

By order of the Board
NOBLE CENTURY INVESTMENT HOLDINGS LIMITED
Ms. Zheng Juhua
Chairman

Hong Kong, 28 November 2018