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## **HONG KONG CHAOSHANG GROUP LIMITED**

**香港潮商集團有限公司**

*(formerly known as Noble Century Investment Holdings Limited 仁瑞投資控股有限公司)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2322)**

## **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

### **INTERIM RESULTS**

The board of directors (the “Board”) of Hong Kong ChaoShang Group Limited (formerly known as “Noble Century Investment Holdings Limited”) (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2019 together with the comparative figures for the corresponding period in 2018. 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 2019*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2019</b>	2018
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
		<b>Unaudited</b>	Unaudited
Revenue	<i>3</i>	<b>104,370</b>	35,871
Cost of sales	<i>5</i>	<u><b>(81,249)</b></u>	<u>(19,644)</u>
Gross profit		<b>23,121</b>	16,227
Other income		<b>1,825</b>	4,422
Realised gain on held-for-trading investments		<b>3,959</b>	6,021
(Loss)/Gain on changes in fair value of held-for-trading investments		<b>(17,278)</b>	8,916
Loss on disposal of subsidiaries	<i>19</i>	–	(5,473)
Impairment loss on deposits, prepayment and other receivables		–	(2,896)
Impairment loss on finance lease receivables		<b>(233)</b>	(599)
Impairment loss on loan and interest receivables		<b>(100)</b>	(551)
Reversal of impairment loss/(Impairment loss) on trade receivables		<b>256</b>	(11,099)
Administrative expenses	<i>5</i>	<u><b>(18,803)</b></u>	<u>(17,542)</u>
Operating loss		<b>(7,253)</b>	(2,574)

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2019</b>	2018
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
		<b>Unaudited</b>	Unaudited
Finance costs	6	<u>(398)</u>	–
Loss before taxation		<b>(7,651)</b>	(2,574)
Taxation	7	<u>(4,559)</u>	<u>(3,646)</u>
Loss for the period		<u><b>(12,210)</b></u>	<u>(6,220)</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently</i>			
<i>to profit or loss:</i>			
– Exchange differences arising on translation		<u>(38,673)</u>	<u>(66,552)</u>
Total comprehensive loss for the period		<u><b>(50,883)</b></u>	<u>(72,772)</u>
Loss for the period attributable to:			
Owners of the Company		<b>(11,603)</b>	(3,150)
Non-controlling interests		<u>(607)</u>	<u>(3,070)</u>
Loss for the period		<u><b>(12,210)</b></u>	<u>(6,220)</u>
Total comprehensive loss for the period			
attributable to:			
Owners of the Company		<b>(50,966)</b>	(70,369)
Non-controlling interests		<u>83</u>	<u>(2,403)</u>
Total comprehensive loss for the period		<u><b>(50,883)</b></u>	<u>(72,772)</u>
		<b>Unaudited</b>	Unaudited
Basic and diluted loss per share	9	<u><b>HK(0.32) cents</b></u>	<u>HK(0.09) cents</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

		30 September 2019	31 March 2019
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		51,463	55,322
Investment property		45,430	48,321
Right-of-use-assets		8,004	–
Goodwill		1,000	1,000
Finance lease receivables	10	86,794	109,482
		<u>192,691</u>	<u>214,125</u>
<b>Current assets</b>			
Inventories		21	23
Trade receivables	11	150,338	154,649
Factoring receivables	13	16,478	8,178
Deposits, prepayments and other receivables		19,501	18,327
Held-for-trading investments		51,227	70,599
Finance lease receivables	10	112,396	112,795
Loan and interest receivables	12	73,286	87,485
Cash and bank balances	14	148,968	140,293
		<u>572,215</u>	<u>592,349</u>
<b>Total assets</b>		<u><u>764,906</u></u>	<u><u>806,474</u></u>

		<b>30 September 2019</b>	31 March 2019
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>Unaudited</b>	Audited
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	<i>15</i>	<b>73,612</b>	73,612
Reserves		<b>634,883</b>	685,873
		<hr/>	<hr/>
Total equity attributable to owners of the Company		<b>708,495</b>	759,485
Non-controlling interests		<b>(11,104)</b>	(11,187)
		<hr/>	<hr/>
<b>Total equity</b>		<b>697,391</b>	748,298
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bond payable		<b>7,800</b>	–
Lease liabilities		<b>4,181</b>	–
Contract liabilities		<b>213</b>	516
Deferred tax liabilities		<b>2,357</b>	2,507
		<hr/>	<hr/>
		<b>14,551</b>	3,023
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade payables		–	2
Contract liabilities		<b>2,469</b>	1,415
Lease liabilities		<b>3,622</b>	–
Accruals, other payables and deposit received	<i>16</i>	<b>37,139</b>	35,537
Amount due to a director	<i>17</i>	<b>2,600</b>	4,556
Amount due to non-controlling interests	<i>18</i>	<b>235</b>	250
Tax payables		<b>6,899</b>	13,393
		<hr/>	<hr/>
		<b>52,964</b>	55,153
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>67,515</b>	58,176
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>764,906</b>	806,474
		<hr/>	<hr/>
<b>Net current assets</b>		<b>519,251</b>	537,196
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>711,942</b>	751,321
		<hr/>	<hr/>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Hong Kong ChaoShang Group Limited (formerly known as “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 “Stock Exchange”). 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.

Pursuant to a special resolution passed by the shareholders of the Company at a special general meeting on 31 May 2019 and approved by the Bermuda Registry of Companies on 22 July 2019, the name of the Company has been changed from “Noble Century Investment Holdings Limited” to “Hong Kong ChaoShang Group Limited” and the adoption of the Chinese name “香港潮商集團有限公司” as the secondary name of the Company in replacement of “仁瑞投資控股有限公司” has become effective.

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, factoring 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 2019.

## 2 BASIS OF PREPARATION

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 Rules Governing the Listing of Securities on the Stock Exchange (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 2019.

These unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, except for investment property and held-for-trading investments, 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 2019 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.

**(a) New and amended standards adopted by the Group**

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 2019.

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

Other than as explained below regarding the impact of HKFRS 16 Leases and HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments, the adoption of new and revised standards has had no significant impact to the preparation of the Group's unaudited condensed consolidated interim financial statements. The nature and impact of the HKFRS 16 and HK(IFRIC)-Int 23 are described below:

***HKFRS 16 Leases***

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single onbalance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 April 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

### *New definition of a lease*

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of HKFRS 16, being 1 April 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components as a single lease component.

### *As a lessee – Leases previously classified as operating leases*

#### *Nature of the effect of adoption of HKFRS 16*

As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets; and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.



#### Impacts on transition

Lease liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019 and included in lease liabilities.

The right-of-use assets were recognised based on the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (if any). All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

For the leasehold land and building (that was held to earn rental income and/or for capital appreciation) previously included in investment property and measured at fair value, the Group has continued to include it as investment property at 1 April 2019. It continues to be measured at fair value applying HKAS 40.

The impacts arising from the adoption of HKFRS 16 as at 1 April 2019 are as follows:

	<b>Increase/ (decrease)</b> <i>HK\$'000</i> Unaudited
<b>Assets</b>	
Increase in right-of-use assets	9,851
Decrease in prepayment	<u>(313)</u>
Increase in total assets	<u><u>9,538</u></u>
<b>Liabilities</b>	
Increase in lease liabilities	
– Current	3,522
– Non-current	<u>6,016</u>
Increase in total liabilities	<u><u>9,538</u></u>

The lease liabilities as at 1 April 2019 reconciled to the operating lease commitments as at 31 March 2019 are as follows:

	<i>HK\$'000</i>
	Unaudited
<b>Operating lease commitments as at 31 March 2019</b>	10,059
<i>Less:</i> Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 March 2020	<u>(14)</u>
	10,045
Weighted average incremental borrowing rate as at 1 April 2019	<u>5.13%</u>
Discounted operating lease commitments as at 1 April 2019	9,386
Variable lease payment that are based on an index at a rate	<u>465</u>
	9,851
<i>Less:</i> Prepayment	<u>(313)</u>
<b>Lease liabilities as at 1 April 2019</b>	<b><u><u>9,538</u></u></b>

*Summary of new accounting policies*

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 March 2019 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 April 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated amortisation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of the estimated useful life and the lease term. When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for 'investment properties'.

## Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

### *Amounts recognised in the unaudited condensed consolidated interim statement of financial position and profit or loss*

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follows:

	<b>Right-of-use assets- property HK\$'000 Unaudited</b>	<b>Lease liabilities HK\$'000 Unaudited</b>
As at 1 April 2019	9,851	9,538
Additions	–	–
Depreciation charges	(1,847)	–
Interest expenses	–	238
Payments	–	(1,973)
As at 30 September 2019	<u>8,004</u>	<u>7,803</u>

The Group recognised rental expenses from short-term leases of HK\$27,000 for the six months ended 30 September 2019.

***HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments***

HK(IFRIC)-Int 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires the Group to determine whether uncertain tax positions are assessed separately or as a group and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by individual group entities in their respective income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

The application of HK(IFRIC)-Int 23 in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated interim financial statements.

**(b) New and amended standards not yet adopted**

The following new and amended standards and interpretations have been issued but are not effective for the financial period beginning 1 April 2019 and have not been early adopted.

HKFRS 3 (Amendments)	Definition of a Business <sup>1</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
HKAS 1 and HKAS 8 (Amendments)	Definition of Material <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> No mandatory effective date yet determined but available for adoption

### 3 REVENUE

Revenue represents (i) income from vessel chartering; (ii) net invoiced value of goods sold, after allowances for returns and trade discount; (iii) interest income from money lending, factoring and finance leasing; and (iv) consultancy fee and handling fee income from finance leasing.

An analysis of the Group's revenue for the period is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Unaudited
<b>Revenue from contracts with customer</b>		
Recognised at a point in time		
Sales of goods	<b>81,453</b>	17,473
Consultancy fee income from finance leasing	<b>669</b>	704
	<b>82,122</b>	18,177
<b>Revenue from other sources</b>		
Recognised over time		
Income from vessel chartering	<b>1,763</b>	1,538
Interest income from money lending, factoring and finance leasing	<b>20,485</b>	16,156
	<b>22,248</b>	17,694
	<b>104,370</b>	35,871

#### 4 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 operating 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 and factoring segment (previously known as "money lending segment") engaged in provision of loan and factoring financing in Hong Kong and 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, 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.

(a) **Segment revenue and results**

Segment revenue and results	Six months ended 30 September 2019				Total HK\$'000 Unaudited
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending and factoring HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	
Segment revenue	<u>1,763</u>	<u>81,453</u>	<u>6,507</u>	<u>14,647</u>	<u>104,370</u>
Segment results	<u>(43)</u>	<u>1,024</u>	<u>3,990</u>	<u>10,375</u>	15,346
Corporate expenses					<u>(10,955)</u>
Operating profit					4,391
Realised gain on held-for-trading investments					3,959
Loss on changes in fair value of held-for-trading investments					(17,278)
Corporate income					1,675
Finance costs					<u>(398)</u>
Loss before taxation					(7,651)
Taxation					<u>(4,559)</u>
Loss for the period					<u>(12,210)</u>

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



(b) **Segment assets and liabilities**

Segment assets and liabilities	As at 30 September 2019 and six months ended 30 September 2019				
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending and factoring HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	Total HK\$'000 Unaudited
Non-current assets					
Property, plant and equipment	12,753	397	1,403	36,354	50,907
Finance lease receivables	–	–	–	86,794	86,794
	<u>12,753</u>	<u>397</u>	<u>1,403</u>	<u>123,148</u>	<u>137,701</u>
Current assets	<u>436</u>	<u>152,302</u>	<u>93,654</u>	<u>113,186</u>	<u>359,578</u>
<b>Segment assets</b>	<b><u>13,189</u></b>	<b><u>152,699</u></b>	<b><u>95,057</u></b>	<b><u>236,334</u></b>	<b>497,279</b>
<b>Unallocated:</b>					
Cash and bank balances					148,968
Others					<u>118,659</u>
Total assets per balance sheet					<b><u>764,906</u></b>
<b>Segment liabilities</b>	<b><u>13,593</u></b>	<b><u>7,195</u></b>	<b><u>1,345</u></b>	<b><u>22,885</u></b>	<b>45,018</b>
<b>Unallocated:</b>					
Amount due to a director					2,600
Others					<u>19,897</u>
Total liabilities per balance sheet					<b><u>67,515</u></b>
<b>Other segment information</b>					
Capital expenditure	–	384	569	17	970
Unallocated capital expenditure					<u>5</u>
					<b><u>975</u></b>
Depreciation	461	2	122	932	1,517
Unallocated depreciation					<u>269</u>
					<b><u>1,786</u></b>

As at 30 September 2018 and  
six months ended 30 September 2018

Segment assets and liabilities	Vessel chartering <i>HK\$'000</i> Unaudited	Trading <i>HK\$'000</i> Unaudited	Money lending and factoring <i>HK\$'000</i> Unaudited	Finance leasing <i>HK\$'000</i> Unaudited	Total <i>HK\$'000</i> Unaudited
Non-current assets					
Property, plant and equipment	19,185	1,103	8	77,509	97,805
Finance lease 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
<b>Segment assets</b>	<b>19,296</b>	<b>211,986</b>	<b>88,350</b>	<b>279,229</b>	<b>598,861</b>
<b>Unallocated:</b>					
Cash and bank balances					128,876
Others					84,027
Total assets per balance sheet					<b>811,764</b>
<b>Segment liabilities</b>	<b>14,414</b>	<b>10,244</b>	<b>1,434</b>	<b>17,158</b>	<b>43,250</b>
<b>Unallocated:</b>					
Amount due to a director					2,828
Others					1,664
Total liabilities per balance sheet					<b>47,742</b>
<b>Other segment information</b>					
Capital expenditure	–	–	9	374	383
Unallocated capital expenditure					195
					<b>578</b>
Depreciation	485	128	2	1,891	2,506
Unallocated depreciation					972
					<b>3,478</b>

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

	Six months ended	
	30 September	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Customer A	33,319	–
Customer B	26,979	–
Customer C	21,155	–
Customer D	–	15,271
	<u>81,453</u>	<u>15,271</u>

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		Non-current assets	
	external customers			
	Six months ended		As at	As at
	30 September		30 September	31 March
	2019	2018	2019	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited	Unaudited	Audited
PRC	101,771	34,278	181,473	210,265
Hong Kong	<u>2,599</u>	<u>1,593</u>	<u>11,218</u>	<u>3,860</u>
	<u>104,370</u>	<u>35,871</u>	<u>192,691</u>	<u>214,125</u>

The geographical location of customers is based on the location at which the goods delivered. The geographical location of the non-current assets is based on the location of the asset.

## 5 EXPENSES BY NATURE

	Six months ended	
	30 September	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Fuel cost	–	199
Cost of inventories sold	79,419	17,617
Storage fees	61	116
Staff costs, including directors' emoluments	8,740	8,809
Contribution to defined contribution retirement benefit scheme (including directors)	402	486
Auditor's remuneration	88	141
Entertainment	2,085	875
Depreciation of property, plant and equipment	1,786	3,478
Depreciation of right-of-use-asset	1,847	–
Operating lease charges in respect of property rental	144	1,742
Professional fees	2,737	865
Repairs and maintenance	12	387
Vessel management fee	237	250
Others	2,494	2,221
	<u>100,052</u>	<u>37,186</u>
Total cost of sales and administrative expenses	<u><u>100,052</u></u>	<u><u>37,186</u></u>

## 6 FINANCE COSTS

	Six months ended	
	30 September	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Interest on bond payable	144	–
Interest on lease liabilities	238	–
Others	16	–
	<u>398</u>	<u>–</u>
	<u><u>398</u></u>	<u><u>–</u></u>

## 7 TAXATION

	Six months ended	
	30 September	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Current income tax		
– Hong Kong profits tax	24	47
– PRC corporation income tax	4,535	3,599
	<u>4,559</u>	<u>3,646</u>

### Hong Kong profits tax

Under the two-tier profits tax rates regime effective from March 2018, Hong Kong profits tax has been provided at the rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits of the qualifying entity of the Group and 16.50% on the estimated assessable profits above HK\$2,000,000.

### 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.

## 8 INTERIM DIVIDENDS

The Directors do not recommend the payment of interim dividends for the six months ended 30 September 2019 (six months ended 30 September 2018: Nil).

## 9 LOSS PER SHARE

	Six months ended	
	30 September	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Loss attributable to shareholders	(11,603)	(3,150)
Weighted average number of ordinary shares, for the purposes of calculating basic loss per share (shares in thousands)	<u>3,680,600</u>	<u>3,680,600</u>
Basic loss per share	<u><u>HK(0.32) cents</u></u>	<u><u>HK(0.09) cents</u></u>

As there are no dilutive potential ordinary shares outstanding as at 30 September 2019 and 2018, the diluted losses per share are equal to the basic losses per share.

## 10 FINANCE LEASE RECEIVABLES

	30 September	31 March
	2019	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Audited
Current portion of finance lease receivables	112,858	113,013
Non-current portion of finance lease receivables	<u>87,061</u>	<u>109,798</u>
	199,919	222,811
Less: Provision for impairment	<u>(729)</u>	<u>(534)</u>
	<u><u>199,190</u></u>	<u><u>222,277</u></u>

\* *The current portion and non-current portion of the finance lease receivables included an amount of HK\$440,000 (31 March 2019: HK\$468,000) and HK\$220,000 (31 March 2019: HK\$468,000) respectively, being handling fee receivable in respect of the finance leases.*

	Minimum finance lease receivables		Present value of minimum finance lease receivables	
	30 September 2019 <i>HK\$'000</i> Unaudited	31 March 2019 <i>HK\$'000</i> Audited	30 September 2019 <i>HK\$'000</i> Unaudited	31 March 2019 <i>HK\$'000</i> Audited
Within one year	128,652	130,588	112,396	112,795
In the second to fifth years, inclusive	<u>96,417</u>	<u>125,360</u>	<u>86,794</u>	<u>109,482</u>
	225,069	255,948	199,190	222,277
<i>Less:</i> Unearned finance income	<u>(25,879)</u>	<u>(33,671)</u>	<u>N/A</u>	<u>N/A</u>
Present value of minimum finance lease receivable	<u><u>199,190</u></u>	<u><u>222,277</u></u>	<u>199,190</u>	<u>222,277</u>
<i>Less:</i> Current portion of finance lease receivables			<u>(112,396)</u>	<u>(112,795)</u>
Non-current portion of finance lease receivables			<u><u>86,794</u></u>	<u><u>109,482</u></u>

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

	30 September 2019 <i>HK\$'000</i> Unaudited	31 March 2019 <i>HK\$'000</i> Audited
At the beginning of the reporting period	534	–
Amount remeasured through retained earnings	–	522
Provision for impairment	233	21
Currency translation difference	<u>(38)</u>	<u>(9)</u>
At the end of the reporting period	<u><u>729</u></u>	<u><u>534</u></u>

As at 30 September 2019 and 31 March 2019, the finance lease receivables, except for the handling fee receivables, were secured over the leased assets mainly by machineries and equipment. The finance lease receivables are denominated in RMB. 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 10% to 23% (31 March 2019: 10% to 23%) per annum. The maximum exposure to credit risk at each of the end of the reporting period is the carrying value of the finance lease receivables.

There was no unguaranteed residual values of assets leased under finance leases as at 30 September 2019 and 31 March 2019. Two of the finance lease receivables in the amount of approximately RMB1,627,000 (equivalent to approximately HK\$1,790,000) were past due as at 30 September 2019 and the remaining finance lease receivables were neither past due nor impaired. No finance lease receivables was past due as at 31 March 2019. 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 receivables. The management assessed the expected loss on all finance lease receivables individually and the credit quality of finance lease receivables has been assessed by reference to historical information about counterparty default rates.

## 11 TRADE RECEIVABLES

	<b>30 September 2019</b>	31 March 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>Unaudited</b>	Audited
Trade receivables	<b>208,370</b>	216,639
<i>Less: Provision for impairment</i>	<u><b>(58,032)</b></u>	<u>(61,990)</u>
	<u><b>150,338</b></u>	<u>154,649</u>

The Group's trade receivables are generally with credit periods of 60 to 120 days (31 March 2019: 30 to 120 days). The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the trade receivables. The Group does not hold any collateral as security.

The carrying amounts of trade receivables are denominated in RMB.



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:

	<b>30 September</b>	31 March
	<b>2019</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>Unaudited</b>	Audited
0 to 30 days	<b>7,134</b>	49,593
31 to 60 days	<b>6,426</b>	2,702
61 to 90 days	<b>131</b>	904
91 to 180 days	<b>57,268</b>	–
More than 180 days	<b>79,379</b>	101,450
	<b><u>150,338</u></b>	<u>154,649</u>

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.

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 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:

	<b>30 September</b>	31 March
	<b>2019</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>Unaudited</b>	Audited
At the beginning of the reporting period	<b>61,990</b>	12,383
Amount remeasured through opening retained profits	–	18,055
(Reversal of)/Provision for impairment	<b>(256)</b>	32,648
Currency translation difference	<b>(3,702)</b>	(1,096)
	<b><u>58,032</u></b>	<u>61,990</u>

## 12 LOAN AND INTEREST RECEIVABLES

	<b>30 September 2019 <i>HK\$'000</i> Unaudited</b>	31 March 2019 <i>HK\$'000</i> Audited
Loan receivables	71,076	87,275
Interest receivables	<u>3,174</u>	<u>1,084</u>
	<b>74,250</b>	88,359
<i>Less: Provision for impairment</i>	<u>(964)</u>	<u>(874)</u>
	<u><b>73,286</b></u>	<u>87,485</u>
Current portion of loan and interest receivables	<b>73,286</b>	87,485
Non-current portion of loan and interest receivables	<u>–</u>	<u>–</u>
	<u><b>73,286</b></u>	<u>87,485</u>
Analysed as:		
Within one year	<b>73,286</b>	87,485
In the second to fifth years, inclusive	<u>–</u>	<u>–</u>
	<u><b>73,286</b></u>	<u><b>87,485</b></u>

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

	<b>30 September 2019 <i>HK\$'000</i> Unaudited</b>	31 March 2019 <i>HK\$'000</i> Audited
HK\$	38,450	30,309
RMB	<u>34,836</u>	<u>57,176</u>
	<u><b>73,286</b></u>	<u><b>87,485</b></u>

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

	<b>30 September 2019 HK\$'000 Unaudited</b>	31 March 2019 HK\$'000 Audited
At the beginning of the reporting period	<b>874</b>	489
Amount remeasure through retained earnings	–	891
Provision for/(Reversal of) impairment	<b>100</b>	(493)
Currency translation difference	<b>(10)</b>	(13)
	<hr/>	<hr/>
At the end of the reporting period	<b><u>964</u></b>	<b><u>874</u></b>

One of the loan receivables in the amount of approximately HK\$5,521,000 and certain of interest receivables in the amount of approximately HK\$1,476,000 were past due as at 30 September 2019 and the remaining loan and interest receivables were neither past due nor impaired. No loan and interest receivables was past due as at 31 March 2019.

Loan receivables are interest-bearing at approximately 8% to 18% (31 March 2019: approximately 8% 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 2019: 3 years) and were unsecured. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the loan and interest receivables mentioned above.

Since the adoption of HKFRS 9 on 1 April 2018, the Group applies the general approach to provide for ECL prescribed by HKFRS 9 for loan and interest receivables, which permits the use of the 12 months 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 and the credit quality of loan and interest receivables has been assessed by reference to historical information about counterparty default rates.

### 13 FACTORING RECEIVABLES

	<b>30 September 2019</b>	31 March 2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>Unaudited</b>	Audited
Factoring receivable	<b><u>16,478</u></b>	<u>8,178</u>

The carrying amounts of factoring receivables are denominated in RMB.

Factoring receivables are interest-bearing at 13% (31 March 2019: 13%) and are repayable with fixed terms agreed with the Group's customers. The maturity date for each factoring contract is normally not more than 180 days (31 March 2019: 180 days) and were secured, among others, by the customer's trade receivables. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the factoring receivables mentioned above. The factoring receivables were neither past due nor impaired as at 30 September 2019 and 31 March 2019.

Since the adoption of HKFRS 9 on 1 April 2018, the Group applies the general approach to provide for ECL prescribed by HKFRS 9 for factoring receivables, which permits the use of the 12 months ECL provision for these factoring 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 factoring receivables individually and the credit quality of factoring receivables has been assessed by reference to historical information about counterparty default rates.

### 14 CASH AND CASH EQUIVALENTS

	<b>30 September 2019</b>	31 March 2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>Unaudited</b>	Audited
Cash at bank and on hand	<b><u>148,968</u></b>	<u>140,293</u>

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

	<b>30 September 2019 <i>HK\$'000</i> Unaudited</b>	31 March 2019 <i>HK\$'000</i> Audited
HK\$	5,377	9,938
US\$	1,201	1,240
EUR	4	4
RMB	<u>142,386</u>	<u>129,111</u>
	<u><b>148,968</b></u>	<u><b>140,293</b></u>

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.

## 15 SHARE CAPITAL

### (a) Authorised capital

	<b>Number of shares</b>	<b>Nominal value <i>HK\$'000</i></b>
As at 1 April 2018, 31 March 2019 (audited) and 30 September 2019 (unaudited), ordinary shares of HK\$0.02 each	<u>5,000,000,000</u>	<u>100,000</u>

### (b) Issued and fully paid capital

	<b>Number of shares</b>	<b>Nominal value <i>HK\$'000</i></b>
As at 1 April 2018, 31 March 2019 (audited) and 30 September 2019 (unaudited), ordinary shares of HK\$0.02 each	<u>3,680,600,000</u>	<u>73,612</u>

## 16 ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

	<b>30 September 2019</b>	31 March 2019
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Audited
Deposits received ( <i>Note (i)</i> )	<b>16,803</b>	14,771
Accruals and other payables ( <i>Note (ii)</i> )	<b>20,336</b>	20,766
	<b>37,139</b>	35,537

### Notes:

- (i) The amount represents the security deposits received from customers of finance leasing business.
- (ii) Included in the accruals and other payables was RMB12 million (equivalent to approximately HK\$13.2 million) (31 March 2019: RMB12 million (equivalent to approximately HK\$14.0 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 years. 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 2019 and 31 March 2019. The Vessel Loan is secured by the Vessel of the Group with a carrying value of HK\$12.8 million (31 March 2019: HK\$14.0 million) as at 30 September 2019.
- (iii) The carrying amounts of accruals, other payables and deposits received are denominated in the following currencies:

	<b>30 September 2019</b>	31 March 2019
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Audited
HK\$	<b>4,059</b>	3,634
US\$	<b>370</b>	370
EUR	<b>358</b>	368
RMB	<b>32,352</b>	31,165
	<b>37,139</b>	35,537

**17 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.

**18 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.

**19 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><u>12,500</u></u>
Satisfied by:	
Cash	<u><u>12,500</u></u>
Net cash inflow arising on the disposal is as follows:	
Consideration settled in cash	<u><u>12,500</u></u>

- (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	<u>(664)</u>
	<u>57,024</u>
<i>Less: Non-controlling interest</i>	<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><u>35,473</u></u>
Satisfied by:	
Cash	<u><u>35,473</u></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><u>35,132</u></u>



## 20 RELATED PARTY TRANSACTIONS

### Key management compensation

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

	Six months ended	
	30 September	
	2019	2018
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Salaries, allowances and other benefits	3,930	4,399
Contributions to retirement benefits scheme	45	45
	<u>3,975</u>	<u>4,444</u>

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 approximately RMB31.2 million during the period ended 30 September 2018, details of which are set out in note 19(ii).

## 21 COMMITMENTS

### (a) Capital commitments

On 7 January 2019, the Company entered into a sales and purchase agreement (the "Acquisition") with independent third parties, pursuant to which, the Company agreed to acquire 100% equity interest in ChaoShang Financial Holding Limited and its subsidiaries at a consideration of HK\$250 million, details of which have been disclosed in an announcement of the Company dated 7 January 2019. A deposit in the amount of HK\$8,500,000 has been paid as at 30 September 2019.

The Acquisition was approved by the shareholders of the Company at a special general meeting held on 31 May 2019 and was further approved by the Securities and Futures Commission of Hong Kong on 13 August 2019. The Acquisition is expected to be completed in due course.

**(b) The Group as lessee**

At the end of the reporting period, the lease commitments for short-term leases (31 March 2019: total future minimum lease payments payable by the Group under non-cancellable operating leases) are as follows:

	<b>30 September 2019 <i>HK\$'000</i> Unaudited</b>	31 March 2019 <i>HK\$'000</i> Audited
Not later than 1 year	<b>36</b>	3,781
Later than 1 year but not later than 5 years	<u>–</u>	<u>6,278</u>
	<b><u>36</u></b>	<b><u>10,059</u></b>

None of the leases include contingent rentals.

**(c) The Group as lessor**

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

	<b>30 September 2019 <i>HK\$'000</i> Unaudited</b>	31 March 2019 <i>HK\$'000</i> Audited
Not later than 1 year	<b><u>330</u></b>	<b><u>1,053</u></b>

**22 COMPARATIVE FIGURES**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **CHANGE OF COMPANY NAME**

Pursuant to a special resolution passed by the shareholders of the Company at a special general meeting on 31 May 2019 and approval by the Bermuda Registry of Companies on 22 July 2019, the name of the Company has been changed from “Noble Century Investment Holdings Limited” to “Hong Kong ChaoShang Group Limited” and the adoption of the Chinese name “香港潮商集團有限公司” as the secondary name of the Company in replacement of “仁瑞投資控股有限公司” has become effective. The Certificate of Registration of Change of Corporate Name of Non-Hong Kong Company confirming registration of the Company under the name of “Hong Kong ChaoShang Group Limited 香港潮商集團有限公司” under Part XI of the Companies Ordinance was issued by the Registrar of Companies in Hong Kong on 13 August 2019.

### **FINANCIAL REVIEW**

The Group recorded a turnover of approximately HK\$104.4 million with a gross profit of approximately HK\$23.1 million during the six months ended 30 September 2019 as compared to approximately HK\$35.9 million and approximately HK\$16.2 million respectively for the same period in 2018. The loss before taxation for the period was approximately HK\$7.7 million whilst approximately HK\$2.6 million was recorded for the last corresponding period. The increase in loss for the period was mainly attributable to the net effect on recognition of the followings:

- (i) an increase in gross profit for the six months ended 30 September 2019 of approximately HK\$6.9 million and a decrease in other income of approximately HK\$2.6 million;
- (ii) there was a loss on changes in fair value of held-for-trading investments of approximately HK\$17.3 million during the six months ended 30 September 2019 whilst a gain of approximately HK\$8.9 million was recorded during the last corresponding period;
- (iii) a decrease in realised gain on held-for-trading investments of approximately HK\$2.1 million;
- (iv) a loss on disposal of subsidiaries of approximately HK\$5.5 million was recorded during last corresponding period; and
- (v) a decrease in an impairment loss on financial assets with an aggregate amount of approximately HK\$15.1 million.

As at 30 September 2019, the unaudited total assets and net assets of the Group were approximately HK\$764.9 million (31 March 2019: approximately HK\$806.5 million) and approximately HK\$697.4 million (31 March 2019: approximately HK\$748.3 million) respectively. The Board does not recommend the payment of interim dividends for the six months ended 30 September 2019.

## **BUSINESS REVIEW AND OUTLOOK**

### **Vessel Chartering**

The Group owns a vessel which attributed a turnover of approximately HK\$1.8 million with a loss of approximately HK\$43,000 from its vessel chartering business during the six months ended 30 September 2019 whilst a turnover of approximately HK\$1.5 million with a loss of approximately HK\$838,000 was recognised for the last corresponding period. The improvement in segment loss was mainly attributable to the reduction in operation cost of the vessel during the period whilst repair and maintenance charges of approximately HK\$380,000 was recognised during the six months ended 30 September 2018. Despite the vessel chartering business of the Group is expected to be stable in the coming years, taking into consideration of (i) the small scale of the operation of the Group's vessel chartering business and its loss-making in continuous years; and (ii) the increasing repair and maintenance costs of the vessel, which may further reduce the income and profit margin of the Group, the Board will take caution measures continuously to closely monitor the efficiency and effectiveness of the Group's vessel chartering operation and constantly assess the performance of this segment for the purpose of resources allocation.

### **Trading Business**

The Group is principally engaged in seafood and electronics products trading business in the PRC. Despite the global economy slowdown and the uncertainties of the trading barriers between the PRC and the United States (the "Trading Barriers"), the PRC's imports and exports value increased by 2.8% and the performance overall was steadily during the first three quarters of 2019.

The Group recorded a turnover of approximately HK\$81.5 million with a profit of approximately HK\$1.0 million from its trading business during the six months ended 30 September 2019 as compared to approximately HK\$17.5 million with a loss of approximately HK\$13.1 million for the same period in 2018. The turnover was mainly attributed from the seafood trading for both periods. The significant improvement in the performance of this segment was mainly due to the decrease in a provision for impairment loss on trade receivables of approximately HK\$11.4 million during the period.

The Group's electronic products trading business was affected by the current Trading Barriers during the period. Whilst no turnover has been recorded from trading of electronic products for the six months ended 30 September 2019, the Group has secured orders of the electronics products from customers subsequent to the end of the reporting period. The Group will closely observe the recovery of the electronic products market in the PRC and monitor the development of the Trade Barriers and the ever changing operating environment and its impact to the Group's trading business.

### **Money Lending and Factoring Business**

The Group's money lending and factoring business has been steadily developed during the period. There were loan portfolio in Hong Kong and the PRC with outstanding principal amount of approximately HK\$70.6 million and outstanding factoring receivables of approximately HK\$16.5 million as at 30 September 2019. The Group recognized an aggregate interest income of approximately HK\$6.5 million and a profit of approximately HK\$4.0 million for the six months ended 30 September 2019 as compared to approximately HK\$4.3 million and HK\$2.2 million respectively for the last corresponding period. The Group continuously carries out regular and periodic 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 and factoring business.

### **Finance Leasing Business**

The Group is engaged in finance leasing business in the PRC. It mainly offers machinery/equipment-based finance leases, the term of which generally ranges from one year to five years and the size of which generally ranges from RMB10 million to RMB50 million. The Group provides direct leasing and sale-leaseback services to customers which include companies that are principally engaged in cold storage, property leasing, property development and manufacture of environmentally friendly materials. The Group solicits its customers principally through referrals from former and existing customers, visits to potential customers by the sales staff, referrals from the finance leasing industry and the business connections of the sales staff. Furthermore, the Group's marketing team has extensive experience and business relationship in banking and financing industry, thereby enabling the Group's finance leasing business to expand its customer base and the business.

The finance leasing business maintained a portfolio with outstanding principal amount of approximately RMB179.6 million (equivalent to approximately HK\$197.6 million) as at 30 September 2019. The finance leasing portfolio has attributed a turnover of approximately HK\$14.6 million with a profit of approximately HK\$10.4 million to the Group during the six months period ended 30 September 2019 as compared to approximately HK\$12.6 million and HK\$7.8 million respectively for the last corresponding period.

The finance leasing business continue to provide the Group with profitable income stream under the controllable risk. Looking ahead, the Group 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.

### **Other Development**

The Company entered into a sales and purchases agreement (the "Acquisition") to acquire the entire equity interest in ChaoShang Financial Holding Limited and its subsidiaries ("ChaoShang Financial"), which are principally engaged in provision of securities brokerage services, asset management services and investment advisory services on 7 January 2019. The Acquisition was approved by the shareholders of the Company at a special general meeting held on 31 May 2019 and was further approved by the Securities and Futures Commission of Hong Kong on 13 August 2019. The Acquisition is expected to be completed in due course. Upon completion of the Acquisition, ChaoShang Financial will become wholly-owned subsidiaries of the Group.

The Group has been engaged in finance leasing and money lending businesses which have provided the Group with a stable revenue stream and have become one of the main business segments of the Group throughout the years. The Group considers that the Acquisition would enable the Group to further diversify its business within the financial services sector, allow the Group to have access to ChaoShang Financial's professional expertise, customer base and business connections, and thereby provide viable business development opportunities to the Group. As such, the Group believes that the businesses of ChaoShang Financial would further complement the Group's existing financial services business and the Group is expected to be benefited from diversifying its revenue stream through the Acquisition.

## **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\$51.2 million as at 30 September 2019. The Group recorded an unrealised loss on changes in fair value of held for trading investments of approximately HK\$17.3 million during the period as compared to a gain of approximately HK\$8.9 million for the last corresponding period. The Group disposed of certain of the held for trading investments with a realised gain of approximately HK\$4.0 million for the six months ended 30 September 2019, whilst a gain of approximately HK\$6.0 million was recognised for the same period in 2018. The management will continue to adopt a 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 2019, the Group had cash and bank balances of approximately HK\$149.0 million (31 March 2019: approximately HK\$140.3 million) and total borrowings of approximately HK\$18.2 million (31 March 2019: approximately HK\$4.6 million). The Group's gearing ratio, calculated by dividing total borrowings by total equity, was 2.61% as at the end of the reporting period (31 March 2019: 0.61%). The total borrowings comprises of bond payable, lease liabilities and amount due to a director. The liquidity ratio, being the ratio of current assets over current liabilities, was 10.80 (31 March 2019: 10.74) as at 30 September 2019.

The increase in the gearing ratio during the period was mainly due to the issuance of a bond and the recognition of lease liabilities following the adoption of HKFRS 16 on 1 April 2019. There was no material changes in the liquidity ratio for the period.

## **FOREIGN EXCHANGE EXPOSURE**

Operations of the Group are mainly conducted in Hong Kong dollar (“HK\$”) and Renminbi (“RMB”), and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$ and RMB.

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 six months ended 30 September 2019.

## **CAPITAL STRUCTURE**

As at 30 September 2019, 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 2019, the vessel of the Group with a carrying value of approximately HK\$12.8 million was pledged to secure an other payable, details of which are set out in note 16(ii) to this announcement.

## **SIGNIFICANT ACQUISITION AND DISPOSAL OF ASSETS**

Save as 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 2019, the Group had Securities Investments with a market value of approximately HK\$51.2 million. The Group recorded a realised gain of approximately HK\$4.0 million (six months ended 30 September 2018: approximately HK\$6.0 million) in respect of the Securities Investments during the six months ended 30 September 2019. The other details of the Securities Investments as at 30 September 2019 are as follows:

Company name	Stock code	Principal activities	Number of shares held	% of shareholdings	Cost of acquisition HK\$'000	Fair value as at 30 September 2019 HK\$'000	% of net assets of the Group as at 30 September 2019	Unrealised gain/(loss) on fair value change for the period HK\$'000
1 Hsin Chong Group Holdings Limited	404	Building construction, civil engineering, electrical and mechanical installation and property development and investment	10,000,000	0.18%	10,000	-	-	-
2 Royal Century Resources Holdings Limited	8125	Provision of fitting out and engineering services comprising design and fitting-out services and other engineering works and maintenance services, provision of design and procurement of furnishings and related products services, leasing of construction equipment business, money lending and sourcing and merchandising of fine and rare wines	35,188,000	8.08%	12,065	3,448	0.49%	(1,653)
3 China Best Group Holding Limited	370	Finance leasing business, money lending business, brokerage business, trading business, securities investment business, freight forwarding business and property investment business	30,000,000	0.59%	12,660	3,990	0.57%	(1,830)
4 Evershine Group Holdings Limited	8022	Trading business, mobile application business, property development and investment business, cemetery business, money lending business and furniture business	26,628,000	1.48%	9,719	19,971	2.86%	(11,184)
5 BOSA Technology Holdings Limited	8140	Provision of mechanical splicing service to the reinforced concrete construction industry	11,860,000	1.48%	13,999	12,216	1.75%	(1,784)
6 Others					12,591	11,602	1.66%	(827)
					<u>71,034</u>	<u>51,227</u>		<u>(17,278)</u>

## CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2019.

## COMMITMENTS

Details of the Group’s commitments as at 30 September 2019 are set out in note 21 to this announcement.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2019, the Group employed approximately 44 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 20 to this announcement, 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 2019 or at any time during the period then ended.

## **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 announcement.

## **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 2019.

## **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 2019.

## **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

During the period under review and up to the date of this announcement, 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:

<b>Director</b>	<b>Name of company</b>	<b>Nature of business</b>	<b>Nature of interests</b>
Mr. Chan Chi Yuen	Royal Century Resources Holdings Limited ("Royal Century") and its subsidiaries	Money lending business	Chairman and executive director of Royal Century
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 2019.

## **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 2019.

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

<b>Name of Director</b>	<b>Details of Change</b>
Mr. Chan Chi Yuen	<ul style="list-style-type: none"><li>– resigned as an independent non-executive director of China Baoli Technologies Holdings Limited (stock code: 164), the shares of which are listed on the Stock Exchange, on 18 September 2019.</li><li>– resigned as an executive director of Great Wall Belt &amp; Road Holdings Limited (Stock code: 524), the shares of which are listed on the Stock Exchange, on 21 October 2019.</li></ul>
Mr. Yu Pak Yan, Peter	<ul style="list-style-type: none"><li>– resigned as an independent non-executive director of China Sandi Holdings Limited (Stock code: 910), the shares of which are listed on the Stock Exchange, on 30 September 2019.</li></ul>
Mr. Chi Chi Hung, Kenneth	<ul style="list-style-type: none"><li>– appointed as independent non-executive director of Union Asia Enterprise Holdings Limited (stock code: 8173), the shares of which are listed on the Stock Exchange, on 13 November 2019.</li></ul>

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The results announcement of the Group for the period is published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.chaoshang.hk>) respectively. The 2019 interim report of the Company will be despatched to the shareholders of the Company and made available on the above websites in due course.

## **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  
**HONG KONG CHAOSHANG GROUP LIMITED**  
**Ms. Zheng Juhua**  
*Chairman*

Hong Kong, 28 November 2019

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