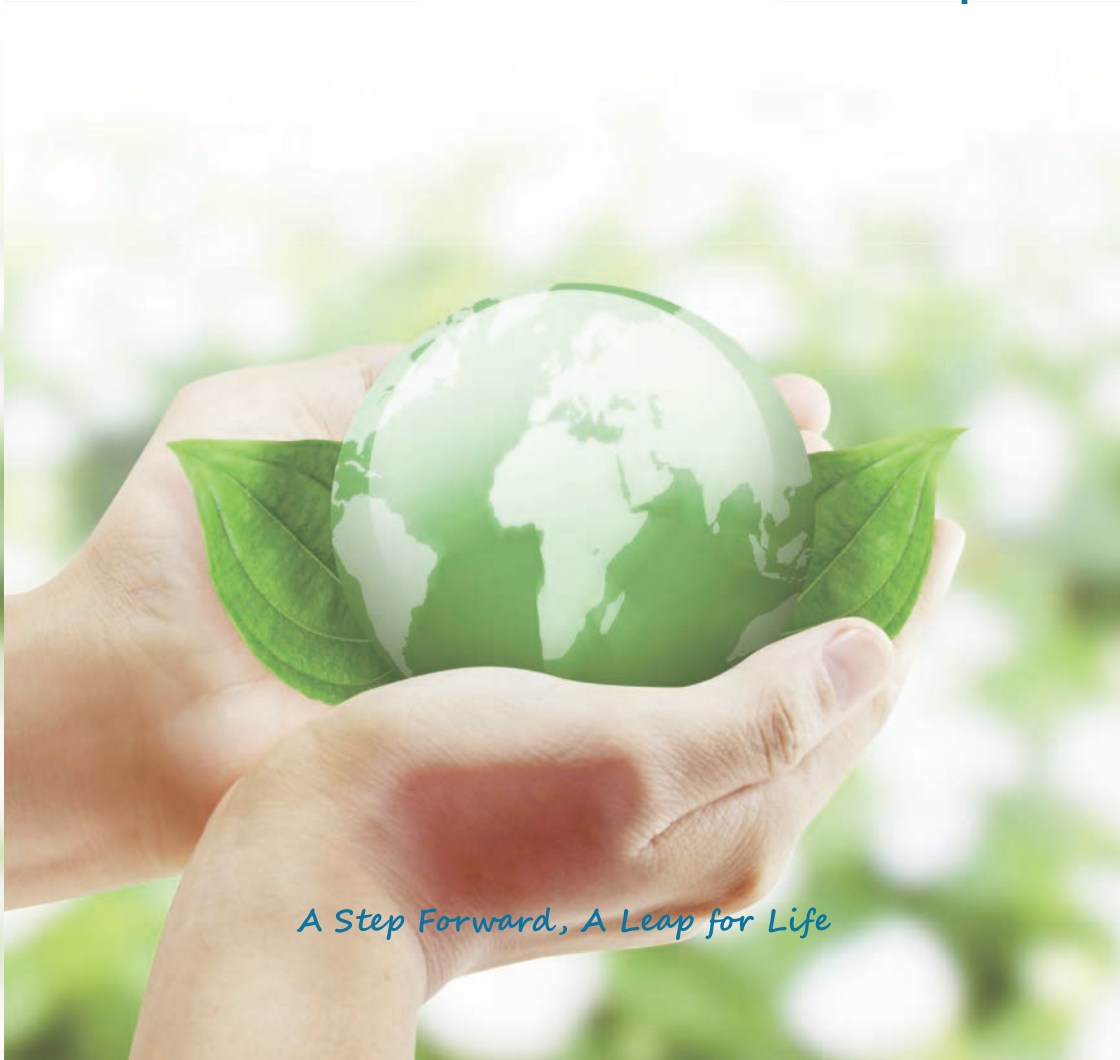




**KIRIN GROUP
HOLDINGS LIMITED**
麒麟集團控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 8109)

2018 Interim Report



A Step Forward, A Leap for Life

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

This report, for which the directors (the “Directors”) of Kirin Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Notes	Three months ended 31 December		Six months ended 31 December	
		2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited and reasted)	2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited and reasted)
Continuing operations					
Revenue	3	10,555	14,537	19,730	26,380
Cost of sales and services		(1,600)	(9,190)	(5,875)	(15,155)
Other income		59	98	59	225
Distribution costs		(1,849)	(6,867)	(7,938)	(11,162)
Share of loss of a joint venture		—	—	—	(3)
Share of loss of an associate		(159)	—	(159)	—
Administrative and other expenses		(8,526)	(13,684)	(26,913)	(26,980)
Finance costs	4	(9,170)	(5,308)	(14,792)	(9,037)
Loss before taxation		(10,690)	(20,414)	(35,888)	(35,732)
Taxation	5	(62)	(502)	(122)	(962)
Loss for the period	6	(10,752)	(20,916)	(36,010)	(36,694)
Discontinued operation					
Profit (loss) for the period from discontinued operation	7	21,647	(387)	22,363	(104)
Profit (loss) for the period		<u>10,895</u>	<u>(21,303)</u>	<u>(13,647)</u>	<u>(36,798)</u>
Other comprehensive income for the period					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange difference arising from translation of financial statements of foreign operations		(2,687)	3,659	(4,252)	4,057
Share of other comprehensive expense of an associate		(25)	—	(25)	—
Exchange reserve released upon disposal of subsidiaries		(9,803)	—	(9,803)	—
		<u>(12,515)</u>	<u>3,659</u>	<u>(14,080)</u>	<u>4,057</u>
Total comprehensive expense for the period		<u>(1,620)</u>	<u>(17,644)</u>	<u>(27,727)</u>	<u>(32,741)</u>

	Note	Three months ended 31 December		Six months ended 31 December	
		2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited and restated)	2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited and restated)
Profit (loss) for the period attributable to:					
— Equity shareholders of the Company		10,826	(21,206)	(12,986)	(35,988)
— Non-controlling interests		69	(97)	(661)	(810)
		<u>10,895</u>	<u>(21,303)</u>	<u>(13,647)</u>	<u>(36,798)</u>
Total comprehensive expense for the period attributable to:					
Equity shareholders of the Company					
— continuing operations		(23,034)	(17,080)	(49,127)	(31,747)
— discontinued operation		21,647	(387)	22,363	(104)
		<u>(1,387)</u>	<u>(17,467)</u>	<u>(26,764)</u>	<u>(31,851)</u>
Non-controlling interests					
— continuing operations		(233)	(177)	(963)	(890)
		<u>(1,620)</u>	<u>(17,644)</u>	<u>(27,727)</u>	<u>(32,741)</u>
		<i>RMB</i>	<i>RMB</i> (Restated)	<i>RMB</i>	<i>RMB</i> (Restated)
Earnings (loss) per share					
From continuing and discontinued operations					
Basic and diluted	9	<u>0.24 cents</u>	<u>(1.52 cents)</u>	<u>(0.34 cents)</u>	<u>(2.59 cents)</u>
From continuing operations					
Basic and diluted		<u>(0.24 cents)</u>	<u>(1.50 cents)</u>	<u>(0.91 cents)</u>	<u>(2.58 cents)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	<i>Notes</i>	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	8,002	8,989
Prepaid lease payment		2,196	2,258
Intangible asset	<i>11</i>	3,487	4,291
Goodwill	<i>12</i>	23,192	24,153
Deposits paid for acquisition of investments	<i>13</i>	—	9,946
Deposits paid for property, plant and equipment		2,106	4,387
Interest in an associate	<i>14</i>	3,899	—
Available-for-sale financial assets	<i>15</i>	5,630	—
		<u>48,512</u>	<u>54,024</u>
CURRENT ASSETS			
Deposits paid for livestock		4,577	4,849
Prepaid lease payment		100	100
Loan receivables	<i>16</i>	185,064	122,510
Trade and other receivables	<i>17</i>	30,198	45,376
Cash and bank balances		86,328	19,189
		<u>306,267</u>	<u>192,024</u>
CURRENT LIABILITIES			
Trade and other payables	<i>18</i>	14,822	39,664
Borrowing		—	4,343
Obligations under finance leases		395	435
Promissory notes	<i>19</i>	25,023	34,746
Corporate bonds	<i>20</i>	104,223	91,681
Current tax payable		1,506	1,535
		<u>145,969</u>	<u>172,404</u>
NET CURRENT ASSETS		<u>160,298</u>	<u>19,620</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>208,810</u>	<u>73,644</u>

	<i>Notes</i>	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
NON-CURRENT LIABILITIES			
Obligations under finance leases		69	270
Corporate bonds	<i>20</i>	31,234	54,151
Deferred tax liability	<i>22</i>	206	215
		<u>31,509</u>	<u>54,636</u>
NET ASSETS		<u>177,301</u>	<u>19,008</u>
EQUITY			
Capital and reserves attributable to equity shareholders of the Company			
Share capital	<i>21</i>	188,042	53,148
Reserves		(10,360)	(34,722)
		<u>177,682</u>	<u>18,426</u>
Non-controlling interests		(381)	582
TOTAL EQUITY		<u>177,301</u>	<u>19,008</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Other reserve	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 July 2016 (Audited)	53,148	220,709	10,509	—	(181,491)	102,875	1,792	104,667
Loss for the year	—	—	—	—	(86,446)	(86,446)	(1,154)	(87,600)
Exchange difference arising from translation of financial statements of foreign operations	—	—	1,971	—	—	1,971	16	1,987
Total comprehensive income (expense) for the year	—	—	1,971	—	(86,446)	(84,475)	(1,138)	(85,613)
Acquisition of subsidiaries	—	—	—	—	—	—	14	14
Acquisition from non-controlling interests (Note 24)	—	—	—	26	—	26	(414)	(388)
Capital contribution from non-controlling interests	—	—	—	—	—	—	328	328
At 30 June 2017 and 1 July 2017 (Audited)	53,148	220,709	12,480	26	(267,937)	18,426	582	19,008
Loss for the period	—	—	—	—	(12,986)	(12,986)	(661)	(13,647)
Exchange difference arising from translation of financial statements of foreign operations	—	—	(3,950)	—	—	(3,950)	(302)	(4,252)
Share of other comprehensive expense of an associate	—	—	(25)	—	—	(25)	—	(25)
Exchange reserve released upon disposal of subsidiaries	—	—	(9,803)	—	—	(9,803)	—	(9,803)
Total comprehensive expense for the period	—	—	(13,778)	—	(12,986)	(26,764)	(963)	(27,727)
Issue of shares, under the right issue, net of expenses (Note 21)	134,894	51,126	—	—	—	186,020	—	186,020
At 31 December 2017 (Unaudited)	188,042	271,835	(1,298)	26	(280,923)	177,682	(381)	177,301

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Six months ended 31 December	
	2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
Net cash used in operating activities	<u>(77,567)</u>	<u>(52,402)</u>
Investing activities		
Net cash outflow from disposal of subsidiaries	(629)	—
Net cash outflow on acquisition of subsidiaries	—	(733)
Net cash outflow on deposits paid for acquisition of investments	—	(31,783)
Net cash inflow in relation to consideration receivable	—	16,710
Acquisition of plant and equipment	(560)	(382)
Interest received	<u>50</u>	<u>1</u>
Net cash used in investing activities	<u>(1,139)</u>	<u>(16,187)</u>
Financing activities		
Proceeds from issuance of corporate bonds	68,509	52,551
Expenses on issuance of corporate bonds	(9,134)	(6,495)
Proceeds from issuance of shares, net of expenses	186,020	—
Interest paid	(8,680)	(4,482)
Proceeds from issuance of a promissory note	—	28,658
Acquisition of additional interest in a subsidiary	—	(403)
Repayment of finance leases	(216)	(247)
Repayment of promissory notes	(8,341)	(5,015)
Repayment of corporate bonds	(76,069)	(3,582)
Repayment of borrowings	<u>(4,343)</u>	<u>—</u>
Net cash from financing activities	<u>147,746</u>	<u>60,985</u>
Net increase (decrease) in cash and cash equivalents	69,040	(7,604)
Effect of change in foreign exchange rate	(1,901)	325
Cash and cash equivalents at 1 July	<u>19,189</u>	<u>15,943</u>
Cash and cash equivalents at 31 December, represented by bank balances and cash	<u><u>86,328</u></u>	<u><u>8,664</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kirin Group Holdings Limited (the “Company”) is a public limited company domiciled and incorporated in Bermuda and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at 23/F., Sang Woo Building, No. 227-228 Gloucester Road, Wan Chai, Hong Kong. The Company acts as an investment holding company and the Group is principally engaged in the provision of sales of livestocks in the People’s Republic of China (the “PRC”), money lending business, provision of insurance brokerage services and assets management and securities brokerage service in Hong Kong and provision of information technology services in Philippines.

The condensed consolidated financial statements are presented in Renminbi (“RMB”) which is different the functional currency of the Company, Hong Kong dollars (“HK\$”), as the directors of the Company consider that RMB is the most appropriate presentation currency in view of the convenience of the condensed consolidated financial statements users.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those adopted in the annual report for the year ended 30 June 2017 (the “2017 Annual Report”), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) which are effective for the financial year begin on or after 1 July 2017. The adoption of the new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared or presented. Accordingly, no prior period adjustment has been required. The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the 2017 Annual Report.

2. BASIS OF PREPARATION (Continued)

In the current interim period, the Group has adopted the following new and revised HKFRSs, which are effective for the Group's accounting period beginning on or after 1 July 2017.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle: Amendments to HKFRS 12
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the new and revised HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior accounting periods and/or on the disclosures set out in the Interim Financial Statements.

The preparation of Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2017 Annual Report.

3. REVENUE AND SEGMENT INFORMATION

An operating segment regarding the energy saving service and sale of related products business was discontinued during the six months ended 31 December 2017 as a result of disposal of Easy Union Holdings Limited (“Easy Union”) and Huntop Trading Limited (“Huntop”). Details are set out in notes 7 and 21.

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reporting segments of the Group. The Group is principally engaged in provision of insurance brokerage service, assets management and securities brokerage service, money lending service, information technology service and sales of livestocks. Specifically, the Group’s reportable segments same as the operating segments under HKFRS 8 are as follows:

- (a) Insurance brokerage and related service;
- (b) Assets management and securities brokerage service;
- (c) Money lending service;
- (d) Information technology service; and
- (e) Sales of livestocks.

3. REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the six months ended 31 December (Unaudited)

	2017						2016 (Restated)					
	Insurance brokerage and related service RMB'000	Money lending service RMB'000	Information technology service RMB'000	Assets management and securities brokerage service RMB'000	Sale of livestocks RMB'000	Total RMB'000	Insurance brokerage and related service RMB'000	Money lending service RMB'000	Information technology service RMB'000	Assets management and securities brokerage service RMB'000	Sale of livestocks RMB'000	Total RMB'000
Revenue	10,807	6,302	2,449	—	172	19,730	18,592	4,936	2,852	—	—	26,380
Segment (loss) profit	(7,080)	5,941	40	(1,480)	10	(2,569)	(23,042)	4,441	673	(28)	(79)	(18,035)
Unallocated corporate expenses						(18,427)						(8,882)
Unallocated other income						59						225
Share of loss of a joint venture						—						(3)
Share of loss of an associate						(159)						—
Finance costs						(14,792)						(9,037)
Loss before taxation						(35,888)						(35,732)

For the three months ended 31 December (Unaudited)

	2017						2016 (Restated)					
	Insurance brokerage and related service RMB'000	Money lending service RMB'000	Information technology service RMB'000	Assets management and securities brokerage service RMB'000	Sale of livestocks RMB'000	Total RMB'000	Insurance brokerage and related service RMB'000	Money lending service RMB'000	Information technology service RMB'000	Assets management and securities brokerage service RMB'000	Sale of livestocks RMB'000	Total RMB'000
Revenue	5,724	3,417	1,242	—	172	10,555	11,054	2,037	1,446	—	—	14,537
Segment (loss) profit	(647)	3,228	34	(692)	7	1,930	(11,335)	1,723	527	(28)	(79)	(9,192)
Unallocated corporate expenses						(3,350)						(6,009)
Unallocated other income						59						98
Share of loss of a joint venture						—						(3)
Share of loss of an associate						(159)						—
Finance costs						(9,170)						(5,308)
Loss before taxation						(10,690)						(20,414)

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment loss represents the loss incurred for or profit earned by each segment without allocation of central administration costs, directors' salaries, finance costs, income tax expenses, share of loss of a joint venture and an associate and other income. This is the measure reported to the board of directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	31/12/2017 (Unaudited)					30/6/2017 (Audited)							
	Assets					Total	Energy	Asset		Money	Information	Sales of	Consolidated
Insurance and brokerage and related service	securities brokerage service	Money lending service	Information technology service	Sale of livestock	Energy saving services and related products		Insurance brokerage and related services	management and securities brokerage services	lending service				
RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
ASSETS													
Segment assets	13,238	14	189,361	25,523	21,863	249,999	4,607	16,676	10	133,169	31,296	15,937	201,695
Unallocated corporate assets						104,780							44,353
Consolidated total assets						354,779							246,048
LIABILITIES													
Segment liabilities	2,793	43	1,931	2,924	1,286	8,977	16,524	3,178	1	964	1,820	816	23,303
Unallocated corporate liabilities						168,501							203,737
Consolidated total liabilities						177,478							227,040
OTHER INFORMATION													
Capital additions	—	—	—	—	—	—	2	933	—	18	—	—	953
Depreciation and amortisation	828	—	8	1,432	96	2,364	4	1,786	—	13	2,598	100	4,501
Impairment loss on goodwill	—	—	—	—	—	—	—	—	—	—	—	—	—

3. REVENUE AND SEGMENT INFORMATION (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segments other than certain plant and equipment, available-for-sale financial assets, interest in an associate, certain other receivables, deposits paid for acquisition of investments and bank balances and cash as these assets are managed on a group basis.
- All liabilities are allocated to operating segments other than certain other payables, promissory notes, obligations under finance leases, corporate bonds and deferred tax liability as these liabilities are managed on a group basis.

4. FINANCE COSTS

Continuing operations

	Three months ended		Six months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on corporate bonds	2,797	1,446	4,172	3,435
Interest on promissory notes	—	981	751	981
Interest on borrowings	—	—	120	—
Imputed interest on promissory notes (Note 19)	—	—	—	238
Imputed interest on corporate bonds (Note 20)	6,351	2,847	9,705	4,317
Finance charges	22	34	44	66
	<u>9,170</u>	<u>5,308</u>	<u>14,792</u>	<u>9,037</u>

5. TAXATION

Continuing operations

	Three months ended		Six months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax	(62)	(519)	(122)	(995)
Deferred tax	—	17	—	33
	<u>(62)</u>	<u>(502)</u>	<u>(122)</u>	<u>(962)</u>

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

6. LOSS FOR THE PERIOD

Continuing operations

	Three months ended		Six months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited and restated)	(Unaudited)	(Unaudited and restated)
Loss for the period from continuing operations have been arrived at after charging (crediting):				
Staff costs (including directors' remuneration):				
— Salaries, wages and other benefits	4,569	4,184	7,022	9,003
— Retirement benefits scheme contribution	158	157	316	316
Bank interest income	(50)	—	(50)	(1)
Amortisation	350	368	700	725
Depreciation of plant and equipment	835	723	1,664	1,471
Operating lease rentals of properties	1,069	1,255	2,206	2,528
Impairment loss on property, plant and equipment	1,672	—	1,672	—
	<u>1,672</u>	<u>—</u>	<u>1,672</u>	<u>—</u>

7. DISCONTINUED OPERATION

On 31 October 2017, the Group completed to dispose the entire equity interest in Easy Union and Huntup, which carried out all of the Group's energy saving service and sale of related products. The disposal was completed on 31 October 2017. Its results are presented in these condensed consolidated interim financial statements as a discontinued operation.

The profit for the period from the discontinued operation is analysed as follows:

	1/7/2017– 31/10/2017 <i>RMB'000</i> (Unaudited)	1/7/2016– 31/12/2016 <i>RMB'000</i> (Unaudited)
Profit (loss) for the period	716	(104)
Gain on disposal of Easy Union and Huntup (<i>Note 23</i>)	21,647	—
	<u>22,363</u>	<u>(104)</u>

7. DISCONTINUED OPERATION (Continued)

The results of the energy saving service and sale of related products business for the period from 1 July 2017 to 31 October 2017, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	1/7/2017– 31/10/2017 RMB'000 (Unaudited)	1/7/2016– 31/12/2016 RMB'000 (Unaudited)
Revenue	2,668	3,620
Cost of sales	(2,495)	(3,089)
Other income	630	—
Distribution costs	(12)	(89)
Administrative and other expenses	(75)	(546)
	<hr/>	<hr/>
Profit (loss) for the period from discontinued operation	716	(104)
	<hr/> <hr/>	<hr/> <hr/>
Profit (loss) for the period from discontinued operation include the following:		
Staff costs	62	566
Operating lease rental of property	19	29
	<hr/> <hr/>	<hr/> <hr/>

The cash flows of the discontinued operation are as follows:

	1/7/2017– 31/10/2017 RMB'000
Net cash inflow from operating activities	<hr/> 1,272
Total cash inflow	<hr/> <hr/> 1,272

The carrying amounts of assets and liabilities of Easy Union and Hunttop at the date of disposal are set out in note 23.

8. INTERIM DIVIDEND

No dividend was paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the six months ended 31 December 2017 (6 months ended 31 December 2016: nil).

9. EARNINGS (LOSS) PER SHARE

For continuing and discontinued operations

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

	Three months ended		Six months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited and restated)	(Unaudited)	(Unaudited and restated)
Profit (loss) for the period attributable to the owners of the Company	<u>10,826</u>	<u>(21,206)</u>	<u>(12,986)</u>	<u>(35,988)</u>
	'000	'000 (Restated)	'000	'000 (Restated)

Number of shares

Weighted average number of ordinary shares for the purpose of basic loss per share	<u>4,433,685</u>	<u>1,390,960</u>	<u>3,869,418</u>	<u>1,390,960</u>
--	------------------	------------------	------------------	------------------

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the six months ended 31 December 2017 (2016: nil).

The comparative figures for the basic loss per share for the three months and six months ended 31 December 2017 are restated to take into account of the effect of the rights issue completed during the period ended 31 December 2017 as if they had been taken place since the beginning of the comparative period.

9. EARNINGS (LOSS) PER SHARE (Continued)

For continuing operations

The calculation of basic and diluted earnings (loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

	Three months ended		Six months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)	(Unaudited)	(Unaudited and restated)
Loss for the period attributable to the owners of the Company	10,826	(21,206)	(12,986)	(35,988)
Less: (profit) loss for the period from discontinued operation	<u>(21,647)</u>	<u>387</u>	<u>(22,363)</u>	<u>104</u>
Loss for the purpose of basic and diluted profit (loss) per share from continuing operations	<u>(10,821)</u>	<u>(20,819)</u>	<u>(35,349)</u>	<u>(35,884)</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

For discontinued operation

Basic and diluted earning (loss) per share for the discontinued operation for the six months ended 31 December 2017 is RMB0.57 cents (31 December 2016: loss of approximately RMB0.01 cents per share), based on profit of approximately RMB22,363,000 for the period attributable to the owners of the Company from the discontinued operation for the period ended 31 December 2017 (31 December 2016: loss of approximately RMB104,000) and the denominators used are the same as those detailed above for both basic and diluted earnings per share.

Diluted earning (loss) per share was the same as the basic earnings (loss) per share for both continuing and discontinued operations as there were no potential dilutive ordinary shares outstanding during the six months ended 31 December 2017 and 2016.

10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired certain property, plant and equipment at the cost of approximately RMB560,000 (six months ended 31 December 2016: RMB382,000), and depreciation and impairment loss of approximately RMB1,664,000 and RMB1,672,000 were recognised respectively (six months ended 31 December 2016: RMB1,471,000 and nil respectively).

11. INTANGIBLE ASSET

	Customer service contract <i>RMB'000</i>
COST	
At 1 July 2016 (Audited)	6,513
Currency realignment	89
	<hr/>
At 30 June 2017 and 1 July 2017 (Audited)	6,602
Currency realignment	(263)
	<hr/>
At 31 December 2017 (Unaudited)	6,339
	<hr/>
ACCUMULATED AMORTISATION	
At 1 July 2016 (Audited)	977
Currency realignment	22
Amortisation for the year	1,312
	<hr/>
At 30 June 2017 and 1 July 2017 (Audited)	2,311
Currency realignment	(105)
Amortisation for the period	646
	<hr/>
At 31 December 2017 (Unaudited)	2,852
	<hr/>
NET BOOK VALUE	
At 31 December 2017 (Unaudited)	3,487
	<hr/> <hr/>
At 30 June 2017 (Audited)	4,291
	<hr/> <hr/>

The customer service contract has definite lives and is amortised on a straight-line basis over its useful life of 5 years.

12. GOODWILL

RMB'000

COST

At 1 July 2016 (Audited)	29,990
Currency realignment	462
Acquisition of subsidiaries	<u>3,648</u>
At 30 June 2017 and 1 July 2017 (Audited)	34,100
Currency realignment	<u>(1,357)</u>
At 31 December 2017 (Unaudited)	<u>32,743</u>

ACCUMULATED IMPAIRMENT LOSSES

At 1 July 2016 (Audited)	9,812
Currency realignment	<u>135</u>
At 30 June 2017 and 1 July 2017 (Audited)	9,947
Currency realignment	<u>(396)</u>
At 31 December 2017 (Unaudited)	<u>9,551</u>

NET BOOK VALUE

At 31 December 2017 (Unaudited)	<u><u>23,192</u></u>
At 30 June 2017 (Audited)	<u><u>24,153</u></u>

12. GOODWILL (Continued)

The net carrying amount of goodwill was allocated to cash generating unit (“CGU”) as follows:

	31/12/2017	30/6/2017
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Information technology service	17,271	17,987
Assets management service	3,551	3,698
Money lending service	2,370	2,468
Insurance brokerage service	—	—
	23,192	24,153

Information technology service

The recoverable amount of the CGU had been determined on the basis of value-in-use calculation. That calculation used cash flow projections based on financial budgets approved by management covering a 5 year period, and a pretax discount rate of 22.74%. Cash flows beyond the 5 year period had been extrapolated using 3% growth rate. This growth rate was based on the relevant industry growth forecasts and did not exceed the average long term growth rate for the relevant industry.

Insurance brokerage service

The recoverable amount of the CGU had been determined on the basis of value-in-use calculation. That calculation used cash flow projections based on financial budgets approved by management covering a 5 year period, and a pretax discount rate of 25.13%. Cash flows beyond the 5 year period had been extrapolated using 3.5% growth rate. This growth rate was based on the relevant industry growth forecasts and did not exceed the average long term growth rate for the relevant industry.

Full impairment loss of RMB9,471,000 was recognised previously due to the increase in market competition and operating expenses which affect adversely the future growth and profits of the Group’s insurance brokerage service business.

12. GOODWILL (Continued)

Money lending service

The recoverable amount of the CGU had been determined on the basis of value-in-use calculation. That calculation used cash flow projections based on financial budgets approved by management covering a 5 year period, and a pretax discount rate of 19.21%. Cash flows beyond the 5 year period had not been extrapolated without any growth rate. This analysis was based on the relevant industry growth forecasts and did not exceed the average long term growth rate for the relevant industry.

Assets management service

The recoverable amount of the CGU had been determined on the basis of value-in-use calculation. That calculation used cash flow projections based on financial budgets approved by management covering a 5 year period, and a pretax discount rate of 21.46%. Cash flows beyond the 5 year period had been extrapolated using 3% growth rate. This growth rate was based on the relevant industry growth forecasts and did not exceed the average long term growth rate for the relevant industry.

13. DEPOSITS PAID FOR ACQUISITION OF INVESTMENTS

	31/12/2017	30/6/2017
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Transportation service	—	5,863
Public Relation service	—	4,083
	<hr/>	<hr/>
	—	9,946
	<hr/> <hr/>	<hr/> <hr/>

The deposits were paid to various independent third parties.

14. INTEREST IN AN ASSOCIATE

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Cost of investment in an unlisted associate	4,083	—
Share of post-acquisition loss and other comprehensive expense	(184)	—
	<u>3,899</u>	<u>—</u>

During the current interim period, the Group entered into an agreement with an independent third party to acquire 40% equity interest in One PR Limited (“One PR”) for a cash consideration of HK\$4,700,000 (approximately RMB4,083,000).

Set out below are the particulars of the associate as at 31 December 2017.

Name of entity	Form of entity	Place of incorporation and operation	Particulars of issued and paid up capital	Percentage of nominal value of issued capital and held by the Group		Principal activities
				31/12/2017	30/6/2017	
One PR	Limited by shares company	Hong Kong	10,000 ordinary shares	40%	—	Financial marketing and event promotion

Included in the cost of investment in an unlisted associate is goodwill of approximately HK\$4,654,000 (equivalent to RMB3,973,000) arising on the acquisition of an unlisted associate during the six months ended 31 December 2017.

14. INTEREST IN AN ASSOCIATE (Continued)

The summary financial information in respect of the Group's interest in an associate which is accounted for using the equity method is set out below:

	31/12/2017 RMB'000
Total assets	<u><u>929</u></u>
Total liabilities	<u><u>(1,113)</u></u>
Net liabilities	<u><u>(184)</u></u>
Group's share of net liabilities of associate	<u><u>(74)</u></u>
	Since acquisition to 31/12/2017 RMB'000
Total revenue	<u><u>367</u></u>
Total loss for the period	<u><u>(398)</u></u>
Total other comprehensive expense	<u><u>(62)</u></u>
Group's share of loss and other comprehensive expense of associate for the period	<u><u>(184)</u></u>

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Unlisted equity securities, at cost	<u>5,630</u>	<u>—</u>

Unlisted equity securities of the Group are recognised at cost less impairment losses as it does not have a quoted market price on active market. The range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

During the current interim period, the Group entered into an agreement with an independent third party to acquire 15% equity interests in Ecotaxi Transportation Inc. (“Ecotaxi”), for a cash consideration of HK\$6,750,000 (approximately RMB5,630,000). Ecotaxi is engaged in provision for transportation service in Philippines.

16. LOAN RECEIVABLES

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Unsecured loan receivables	<u>185,064</u>	<u>122,510</u>

The unsecured loan receivables carried at 7%-12% (30 June 2017: 7%-24%) interest rate per annum.

The loan receivables are due for settlement at the date specified in the respect loan agreements. The amount of unsecured loan receivables of approximately RMB185,064,000 (30 June 2017: RMB122,510,000) is neither past due nor impaired.

In respect of the receivables that were past due but not impaired mainly represent occasional delay in repayment and are not an indication of significant deterioration of credit quality of these loan receivables. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances and the balances are still considered fully recoverable.

17. TRADE AND OTHER RECEIVABLES

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Trade receivables	8,035	29,111
Interest receivables	4,268	8,297
<i>Less:</i> Allowance for impairment	—	(19,217)
	<u>12,303</u>	<u>18,191</u>
Other receivables	12,175	15,914
<i>Less:</i> Allowance for impairment	—	(744)
	<u>12,175</u>	<u>15,170</u>
Prepayments, rental and other deposits	5,720	12,015
	<u>30,198</u>	<u>45,376</u>

The Group allows an average credit period normally 90 days (30 June 2017: 90 days) to its customers. The following is an ageing analysis of trade and interest receivables (net of allowance for doubtful debt) presented based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition date.

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
0 to 3 months	8,698	17,310
4 to 6 months	3,605	—
7 to 12 months	—	865
Over 1 year	—	16
	<u>12,303</u>	<u>18,191</u>

17. TRADE AND OTHER RECEIVABLES (Continued)

The ageing analysis of the trade receivables that are not considered to be impaired is as follows:

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Neither past due nor impaired	4,430	10,172
Less than 6 months past due	3,605	—
	8,035	10,172

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The ageing analysis of the interest receivables that are neither individually nor collectively considered to be impaired is as follows:

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Neither past due nor impaired	4,268	8,019

18. TRADE AND OTHER PAYABLES

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Trade payables	9,576	17,855
Other payables and accruals	5,063	20,433
Receipt in advance	183	1,376
	14,822	39,664

18. TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of trade payables presented based on the invoice date at the end of the reporting period is as follow:

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Within 1 year	2,018	2
Over 1 year	7,558	17,853
	9,576	17,855

The average credit period on purchases of goods is normally 90 days (2016: 90 days). The Group has financial risk management policies in place to ensure that all trade payables are settled within the credit timeframe.

19. PROMISSORY NOTES

During the year ended 30 June 2016, the Company issued promissory notes ("PN 1") with principal amount of HK\$5,000,000 (equivalent to approximately RMB4,190,000) as part of the consideration for acquisition of 51% equity interests in Red Rabbit International Technology Inc.. The fair value of PN 1 at 24 September 2015 is approximately HK\$4,447,000 (equivalent to approximately RMB3,678,000) with reference to a valuation performed by Roma Appraisal Limited, a firm of independent qualified professional valuers not connected with the Group.

The PN 1 bear interest of 12% per annum, which is subsequently measured at amortised cost and its effective interest rate is 25.93%. The PN 1 was settled during the year ended 30 June 2017.

On 7 September 2016, the Company issued another promissory note ("PN 2") with principal amount of HK\$32,000,000 (equivalent to approximately RMB27,608,000) to an independent third party at cash. PN 2 bears interest of 12% per annum, with maturity date of 6 March 2017, and has been subsequently extended.

On 20 April 2017, the Company further issued a promissory note ("PN 3") with principal amount of HK\$8,000,000 (equivalent to approximately RMB6,902,000) to the same independent third party at cash. PN 3 bears interest of 12% per annum.

19. PROMISSORY NOTES (Continued)

The movement of the promissory notes is set out below:

	<i>RMB'000</i>
At 1 July 2016 (Audited)	4,552
Currency realignment	267
Issued during the year	34,510
Imputed interests	249
Interest paid	(518)
Principal repaid	<u>(4,314)</u>
At 30 June 2017 and 1 July 2017 (Audited)	34,746
Currency realignment	(1,382)
Principal repaid	<u>(8,341)</u>
At 31 December 2017 (Unaudited)	<u><u>25,023</u></u>

20. CORPORATE BONDS

During the six months ended 31 December 2017, the Company issued 1 year to 2 years corporate bonds with aggregate principal amounts of HK\$82,136,000 (equivalent to approximately RMB68,509,000) to certain independent third parties. The direct expenses in relation to the issuance of such bonds were approximately HK\$6,376,000 (equivalent to approximately RMB5,408,000). These corporate bonds carried interest at fixed rates of 1% to 30% per annum with interest payable monthly or semi-annually in arrears. These corporate bonds are unsecured. The effective interest rates of these corporate bonds are ranging from 1% to 21.3% per annum.

20. CORPORATE BONDS (Continued)

During the year ended 30 June 2017, the Company issued 18 months to 5 years corporate bonds with aggregate principal amounts of HK\$159,543,000 (equivalent to approximately RMB137,644,000) to certain independent third parties, net of direct expenses of approximately HK\$18,945,000 (equivalent to approximately RMB16,345,000). These corporate bonds carried at fixed rates of 2% to 24% per annum with interest payable monthly or semi-annually in arrears. These corporate bonds are unsecured. The effective interest rates of these corporate bonds are ranging from 1 % to 28%.

	31/12/2017 <i>RMB'000</i> (Unaudited)	30/6/2017 <i>RMB'000</i> (Audited)
Beginning of the period	145,832	54,349
Currency realignment	(7,112)	1,365
Proceeds from issuance of corporate bonds	68,509	137,644
Transaction costs for corporate bonds issuance	(5,408)	(16,345)
Imputed interest (<i>Note 4</i>)	9,705	7,702
Principal repaid	<u>(76,069)</u>	<u>(38,883)</u>
End of the period	<u><u>135,457</u></u>	<u><u>145,832</u></u>
Carrying amount repayable:		
Within one year	104,223	91,681
After one year but within five years	17,275	42,857
Over five years	<u>13,959</u>	<u>11,294</u>
	135,457	145,832
<i>Less:</i> Amount shown under current liabilities	<u>(104,223)</u>	<u>(91,681)</u>
Amount shown under non-current liabilities	<u><u>31,234</u></u>	<u><u>54,151</u></u>

21. SHARE CAPITAL

	Number of shares '000	Amount RMB'000
Authorised:		
At 1 July 2016 (ordinary shares of HK\$0.05) (Audited)	3,000,000	148,845
Increase in authorised share capital (<i>Note (a)</i>)	7,000,000	298,162
	<u>10,000,000</u>	<u>447,007</u>
At 30 June 2017 (Audited) and 31 December 2017 (Unaudited) (ordinary shares of HK\$0.05)		
	<u>10,000,000</u>	<u>447,007</u>
Issued and fully paid:		
At 1 July 2016 and 1 July 2017 (Audited)	1,266,767	53,148
Issue of shares under rights issue (<i>Note (b)</i>)	3,166,918	134,894
	<u>4,433,685</u>	<u>188,042</u>
At 31 December 2017 (Unaudited) (ordinary shares of HK\$0.05)		
	<u>4,433,685</u>	<u>188,042</u>

(a) Increase in authorised share capital

Pursuant to an ordinary resolution passed at a special general meeting of the Company on 6 July 2017, the shareholders of the Company have approved the increase in authorised share capital of the Company from HK\$150,000,000 (divided into 3,000,000,000 shares of a par value of HK\$0.05 per share) to HK\$500,000,000 (divided into 10,000,000,000 shares of a par value of HK\$0.05 per share) by the creation of an additional 7,000,000,000 unissued shares that rank pari passu with all existing shares. Details are set out in the announcement and circular dated 16 May 2017 and 16 June 2017.

21. SHARE CAPITAL (Continued)

(b) Issue of shares under rights issue

On 10 August 2017, the Company issued and allotted 3,166,918,125 rights shares at a price of HK\$0.07 per rights share on the basis of five rights shares for every two existing shares to subscribers for gross proceeds of HK\$218,359,000. The difference of HK\$60,013,000 (equivalent to approximately RMB51,126,000) between the gross proceeds of HK\$218,359,000 and the par value of shares issued of HK\$158,346,000 (equivalent to approximately RMB134,894,000) has been credited to the share premium account of the Company.

Details are set out in the announcement and circular dated 16 May 2017 and 16 June 2017.

All new ordinary shares issued during the year rank pari passu in all respects with the existing shares.

22. DEFERRED TAX LIABILITY

	Intangible asset <i>RMB'000</i>
At 1 July 2016 (Audited)	277
Charged to profit or loss	(66)
Currency realignment	4
	<hr/>
At 30 June 2017 and 1 July 2017 (Audited)	215
Currency realignment	(9)
	<hr/>
At 31 December 2017 (Unaudited)	<u>206</u>

23. DISPOSAL OF SUBSIDIARIES

On 31 October 2017, the Group completed to dispose the entire equity interest in Easy Union and Hunttop, which carried out all of the Group's energy saving service and sale of related products at a cash consideration of approximately RMB1,018,000. The transaction was completed on 31 October 2017.

The assets and liabilities of Easy Union and Hunttop at the date of disposal were as follows:

	Easy Union <i>RMB'000</i>	Hunttop <i>RMB'000</i>	Total <i>RMB'000</i>
Plant and equipment	10	—	10
Trade and other receivables	4,660	1,617	6,277
Bank balances and cash	1,358	289	1,647
Trade and other payables	(10,081)	(8,679)	<u>(18,760)</u>
Net liabilities disposal of			(10,826)
Exchange reserve release upon disposal			(9,803)
Gain on disposal of subsidiaries			<u>21,647</u>
Total consideration			<u><u>1,018</u></u>
Satisfied by cash			<u><u>1,018</u></u>
Net cash outflow arising on disposal			
Cash consideration			1,018
Cash and cash equivalents disposed of			<u>(1,647)</u>
			<u><u>(629)</u></u>

The cash flows of the discontinued operation of Easy Union and Hunttop during the six months ended 31 December 2017 are set out in note 7.

24. ACQUISITION FROM NON-CONTROLLING INTERESTS

During the year ended 30 June 2017, the Group further acquired its 30% interest in an indirect subsidiary, Kirin Wealth Management Limited from non-controlling interests. Since the Group has obtained the control over Kirin Wealth Management Limited upon the acquisition of Kirin Financial Group Limited and its subsidiaries, therefore, the Group recognised directly in equity of approximately RMB26,000 as other reserve, being the difference between the amount by which the non-controlling interests are adjusted of approximately RMB414,000 and the fair value of consideration paid of approximately RMB388,000, and attributed it to the equity shareholders of the Group.

25. COMMITMENTS

Commitments under operating leases

The Group as lessee

The Group leases certain of its offices under operating lease arrangements. The leases typically run for an initial period of two to three years. None of the leases included contingent rentals. At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which are payable as follows:

	31/12/2017	30/6/2017
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within one year	1,906	3,348
In the second to fifth year inclusive	739	—
	2,645	3,348

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

27. RELATED PARTIES TRANSACTIONS

Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the six months ended 31 December 2017 and 2016 is as follows:

	Six months ended	
	31/12/2017	31/12/2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Salaries and other benefits in kind	1,192	1,160
Retirement benefits scheme contributions	19	20
	1,211	1,180

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

28. EVENT AFTER THE REPORTING PERIOD

Subsequent to 31 December 2017, the Group and an independent third party entered into a sale and purchase agreement to dispose available-for-sale financial assets which were engaged in the provision of transportation service in Philippines at an aggregate cash consideration of HK\$7,000,000. Details are set out in the announcements dated 12 February 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company acts as an investment holding company and the Group was principally engaged in (a) the provision of energy saving solutions and the sale of related products in Mainland China; (b) the provision of insurance brokerage and related services in Hong Kong; (c) the provision of asset management services in Hong Kong; (d) the provision of money lending services in Hong Kong; (e) the provision of information technology services in the Philippines; and (f) livestock business in Mainland China during the six months ended 31 December 2017.

Business Review

Provision of energy saving solutions and the sale of related products

The performance of energy saving business was significantly influenced by the competitive price of crude oil and the continuous decline in real estate sales in Mainland China. Given the poor performance of the energy saving business, the Company disposed two subsidiaries which were engaged in the provision of energy saving solutions and sale of energy saving products on 31 October 2017.

Provision of insurance brokerage and related services

The turnover decreased by 41.9% to approximately RMB10,807,000. The decrease in turnover was mainly due to increasing market competition of insurance industry in Hong Kong during recent years, the growth of our insurance brokerage business slowed down during the period.

The Company has currently identified several overseas markets including but not limited to Japan, the Philippines and Thailand for the geographical expansion of its business.

Asset management services

The Company expanded into the business of asset management service as part of its plan to transform itself into a financial conglomerate. This new segment did not have any revenue for the six months ended 31 December 2017 as it was still in a setting up stage.

Money lending business

Benefited from its successful marketing campaign, the turnover increased by 27.7% to approximately RMB6,302,000. The Company will continue with its marketing campaign so as to get further market share in the money lending industry.

Livestocks business

The Group is constantly exploring opportunities in the diversification of business risk with a view to maximising returns to the Group and the shareholders of the Company as a whole in the long run. As part of the Company's diversification plan, the Company has expanded into the industry of livestock business through developing the farms in Mainland China. The livestock business commenced in the second half of 2017. The segment revenue was approximately RMB172,000.

Information technology service

The information technology service business mainly includes the provision of online gaming platforms and software applications in the Philippines. The segment revenue decreased from approximately RMB2,852,000 for the six months ended 30 September 2016 to RMB2,449,000 for the six months ended 30 September 2017. The decrease is mainly attributable to the increase in urgent maintenance services provided in the corresponding period in 2016.

Financial Review

For the six months ended 31 December 2017, the Group's turnover was approximately RMB19,730,000, representing a decrease of approximately RMB6,650,000 or 25.2% as compared to the same period in the previous year (31 December 2016: approximately RMB26,380,000). The decrease was mainly due to the decrease in turnover of insurance brokerage business.

Distribution costs for the six months ended 31 December 2017 was approximately RMB7,938,000, representing a decrease of RMB3,224,000 as compared to approximately RMB11,162,000 for the six months ended 31 December 2016. The decrease was mainly due to the decrease in selling, distribution and marketing promotion expenses incurred for the business of insurance brokerage services.

Administrative expenses for the six months ended 31 December 2017 was approximately RMB26,913,000, representing a decrease of approximately RMB67,000 as compared to the same period in the previous year (31 December 2016: approximately RMB26,980,000). The decrease was mainly due to decrease in salaries.

The finance costs represented interest on corporate bonds and promissory notes.

The Group recorded a loss of approximately RMB13,647,000 for the six months ended 31 December 2017, representing a decrease of 62.9% as compared to the same period in the previous year (31 December 2016: approximately RMB36,798,000).

Use of Proceeds from Equity Fund Raising Activities

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of the proceeds	Actual use of the proceeds
16 May 2017	Rights issue	HK\$217.42 million	(i) approximately HK\$190.42 million for the repayment of outstanding liabilities; (ii) approximately HK\$25 million for the development of the Group's securities business; and (iii) approximately HK\$2 million for the general working capital of the Group.	(i) approximately HK\$101.2 million for the repayment of bonds; (ii) approximately HK\$9.3 million for the repayment of bond interest; (iii) approximately HK\$11 million for the repayment of bond direct costs; (iv) approximately HK\$0.5 million for the reallocation of offices of subsidiaries; (v) approximately HK\$1.8 million for information system development; (vi) approximately HK\$0.5 million for staff recruitment; (vii) approximately HK\$2 million for payment of salaries and rental expenses; and (viii) approximately HK\$91.12 million was maintained at the Group's bank accounts. The amount is mainly allocated for the repayment of outstanding liabilities.

Prospects

The Group is principally engaged in (i) provision of energy saving solutions and related services in the PRC; (ii) sale of livestocks in the PRC; (iii) insurance brokerage business in Hong Kong; (iv) money lending business in Hong Kong; (v) provision of assets management services in Hong Kong and (vi) provision of information technology service in Philippines during the six months ended 31 December 2017.

The management of the Group is looking for business and investment opportunities that would generate long-term returns to the Shareholders.

Liquidity and Financial Resources

Cash and bank balances as at 31 December 2017 was approximately RMB86,328,000 (30 June 2017: approximately RMB19,189,000). At 31 December 2017, the Group's current ratio was 2.10 (30 June 2017: 1.02), based on the current assets of approximately RMB306,267,000 and current liabilities of approximately RMB145,969,000. The gearing ratio was approximately 100% as at 31 December 2017. (30 June 2017: 1,194%). The gearing ratio is calculated as total liabilities divided by total equity.

Capital Structure

Details of the capital structure of the Company are set out in note 21 to the condensed consolidated financial statements.

Capital Commitments

As at 31 December 2017, the Group did not have any capital commitments.

Contingent Liabilities

As at 31 December 2017, the Directors are not aware of any material contingent liabilities.

Employees and Remuneration Policies

At 31 December 2017, the Group had 40 (31 December 2016: 51) full-time employees. Staff costs amounted to approximately RMB1,981,000 for the six months ended 31 December 2017 (31 December 2016: approximately RMB9,003,000). The Group's remuneration policy remained the same as detailed in the Company's 2017 annual report.

DIVIDEND

The directors do not recommend the payment of any dividend for the six months ended 31 December 2017 (31 December 2016: Nil).

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) with written terms of reference, for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls.

The Audit Committee currently comprises all the independent non-executive Directors, namely, Mr. Ng Chi Ho, Dennis (as chairman), Ms. Chan Sin Wa, Carrie, and Mr. Chung Shu Kun, Christopher.

The unaudited financial results for the six months ended 31 December 2017 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such financial results complied with the applicable accounting standards and requirements and adequate disclosure have been made.

PURCHASE, REDEMPTION AND SALE OF LISTED SECURITIES OF THE COMPANY

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

OTHER INFORMATION

Directors’ and chief executives’ interests or short positions in the shares, underlying shares or debentures of the company or any associated corporations

As at 31 December 2017, none of the directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 under the Laws of Hong Kong (SFO)), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Directors' and chief executives' rights to acquire shares or debt securities

As at 31 December 2017, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executives of the Company 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, chief executives or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right.

Substantial Shareholders

As at 31 December 2017, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Name	Capacity/Nature of interest	No. of shares (Note 1)	Approximate percentage of interest
Button Hill Limited (Note 2)	Beneficial owner	759,740,835 (L)	17.14%
Sino Ahead Holdings Limited (Note 3)	Interest in a controlled corporation	759,740,835 (L)	17.14%
Mr. Hui Chi Kwan (Note 3)	Interest in a controlled corporation	759,740,835 (L)	17.14%

Notes:

1. The Letter "L" — denotes a long position in shares.
2. The interest disclosed represents the corporate interest in 759,740,835 shares held by Button Hill Limited and Button Hill Limited is wholly owned by Sino Ahead Holdings Limited.
3. The interest disclosed represents the corporate interest in 759,740,835 shares held by Sino Ahead Holdings Limited, which is wholly owned by Mr. Hui Chi Kwan.

Save as disclosed above, the Company has not been notified of any other interests or short positions in the issued share capital of the Company at 31 December 2017.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Scheme”) pursuant to a resolution passed by the shareholders on 5 November 2010. Under the Scheme, the board of directors may grant share options to the eligible persons to subscribe for such number of shares during such period of time as the board of directors may determine.

As at 31 December 2017, none of the board of directors, employees and other eligible persons of the Company on its subsidiaries were granted options to subscribe for the shares of the Company.

MAJOR EVENTS DURING THE PERIOD

Capital Raising

On 10 August 2017, the Company issued and allotted 3,166,918,125 rights shares at a price of HK\$0.07 per rights share on the basis of five rights shares for every two existing shares to subscribers. Details are set out in the announcement and circular dated 16 May 2017 and 6 July 2017.

Acquisitions

On 6 April 2016, the Company entered into a non-legally binding memorandum of understanding with an independent third party and paid the refundable deposit of HK\$6,750,000 (equivalent to approximately RMB5,630,000) for the acquisition of a business, which is principally engaged in provision of transportation service in Philippines. The Company further entered into a formal agreement for sale and purchase with the same independent third party to finalise this acquisition, this aforesaid acquisition was completed on 1 September 2017.

On 13 September 2016, the Group entered into a non-legally binding memorandum of understanding with an independent third party and paid the refundable deposit of RMB4,083,000 for the acquisition of a business, which is principally engaged in provision of financial marketing and event promotion. The Group further entered into a sale and purchase agreement with the same independent third party to acquire 40% equity interest in aforesaid business related to public relation services. This aforesaid acquisition was completed on 15 September 2017.

Disposal

On 31 October 2017, the Group and an independent third party entered into a sale and purchase agreement to dispose certain subsidiaries which were engaged in the provision of energy saving solutions and sale of energy saving products at an aggregate cash consideration of HK\$1,200,000. Details are set out in the announcements dated 31 October 2017.

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period are set out in note 28 to the condensed consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2017, none of the directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group during the period.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions of the Code on Corporate Governance Practices ("Code on CG Practices") as set out in Appendix 15 to the Rules ("GEM Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The Company is in compliance with the CG Code contained in Appendix 15 of the GEM Listing Rules and the Code Provisions save for the deviation as explained below:

The Code provision A4.1 provides that Non-executive Directors should be appointed for specific term, subject to re-election. The Company has deviated from the provision in that the Non-executive Directors and all Independent Non-executive Directors are not appointed for specific term. They are, however, subject to retirement by rotation and re-election. The reason for the deviation is that the Company does not believe that arbitrary limits on term of non-executive directorship are appropriate given that Directors ought to be committed to representing the long time interest of the Company's shareholders and the retirement and the re-election requirements of Non-executive Directors and Independent Non-executive Directors have given the Company's shareholders the right to approve continuation of Independent Non-executive Directors' offices.

Save as the aforesaid and in the opinion of the Directors, the Company has met all relevant code provisions set out in the CG code during the period ended 31 December 2017.

ADOPTED CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings ("Standard Dealings") set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors and all the Directors confirmed that they have complied with the Standard Dealings during the six months ended 31 December 2017.

By order of the Board
Chow Yik
Chairman

Hong Kong, 12 February 2018

As at the date of this report, the Board comprises Mr. Chow Yik, Dr. Ma Jun and Mr. Leung King Fai as the executive directors; and Mr. Ng Chi Ho, Dennis, Ms. Chan Sin Wa, Carrie and Mr. Chung Shu Kun, Christopher as the independent non-executive directors.

This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

The report will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days after its posting and on the website of the Company at <http://www.tricor.com.hk/web/service/08109>.