ASIA-PAC FINANCIAL INVESTMENT COMPANY LIMITED
亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8193)

Third Quarterly Report
2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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Given that the companies listed on GEM are generally small and mid-sized companies, 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.

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This report, for which the directors of Asia-Pac Financial Investment Company Limited (the "Company" and the "Directors", respectively) 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.

This report, in both English and Chinese versions, is available on the Company's website at www.gca.com.hk.

The board of Directors (the "Board") presents the unaudited condensed consolidated results of the Company and its subsidiaries (together, the "Group") for the three months and nine months ended 31 December 2019, together with the relevant unaudited comparative figures for the corresponding periods in 2018, as follows.

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

For the three months and nine months ended 31 December 2019

		Three months ended 31 December		Nine months ended 31 December	
	Notes	**2019 HK$'000 (unaudited)**	2018 HK$'000 (unaudited)	**2019 HK$'000 (unaudited)**	2018 HK$'000 (unaudited)
Loan interest income		**3,072**	2,897	**9,149**	8,573
Other revenue		**5,574**	5,965	**25,021**	25,181
Total revenue	3	**8,646**	8,862	**34,170**	33,754
Cost of sales		**(4,225)**	(3,423)	**(13,921)**	(13,538)
Gross profit		**4,421**	5,439	**20,249**	20,216
Other income	3	**535**	667	**1,621**	3,061
Fair value gain/(loss) on financial assets at fair value through profit or loss ("FVTPL")		**2,319**	(2,617)	**(20,024)**	(13,339)
(Loss)/gain on disposal of financial assets at FVTPL		**(1,092)**	480	**(4,732)**	552
Marketing, administrative and other operating expenses		**(12,421)**	(11,192)	**(43,502)**	(33,121)
Gain on disposal of a joint venture		**–**	–	**90**	–
Finance costs	4	**(867)**	(451)	**(3,133)**	(1,325)
Share of results of associates and a joint venture		**–**	–	**234**	–
Loss before tax	5	**(7,105)**	(7,674)	**(49,197)**	(23,956)
Income tax expense	6	**(72)**	(428)	**(211)**	(1,065)
Loss for the period		**(7,177)**	(8,102)	**(49,408)**	(25,021)

	Notes	Three months ended 31 December 2019 HK$'000 (unaudited)	Three months ended 31 December 2018 HK$'000 (unaudited)	Nine months ended 31 December 2019 HK$'000 (unaudited)	Nine months ended 31 December 2018 HK$'000 (unaudited)
Other comprehensive income for the period, net of tax					
Item that may be subsequently reclassified to profit or loss:					
Exchange differences arising on translating foreign operations		**(166)**	24	**(873)**	(1,021)
Total comprehensive expense for the period		**(7,343)**	(8,078)	**(50,281)**	(26,042)
(Loss)/profit for the period attributable to:					
Owners of the Company		**(6,301)**	(8,225)	**(48,363)**	(24,661)
Non-controlling interests		**(876)**	123	**(1,045)**	(360)
		(7,177)	(8,102)	**(49,408)**	(25,021)
Total comprehensive income for the period attributable to:					
Owners of the Company		**(6,433)**	(8,206)	**(49,062)**	(25,478)
Non-controlling interests		**(910)**	128	**(1,219)**	(564)
		(7,343)	(8,078)	**(50,281)**	(26,042)
			(restated)		(restated)
Loss per share					
Basic and diluted (HK cents)	*8*	**(1.08)**	(1.41)	**(8.30)**	(4.23)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The ordinary shares of the Company of HK$0.1 each (the "Shares") are listed on GEM. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of its principal place of business in Hong Kong is Room 2703, 27th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong. The Company is an investment holding company.

2. BASIS OF PREPARATION

The Group's unaudited condensed consolidated financial statements for the three months and nine months ended 31 December 2019 (the "Unaudited Condensed Consolidated Financial Statements") have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules and the Companies Ordinance, Chapter 622, the laws of Hong Kong (the "Hong Kong Companies Ordinance").

The Unaudited Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2019 (the "2019 Consolidated Financial Statements"). Except as described in paragraph headed "Application of new and revised HKFRSs for the Period" below, the accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those used in the 2019 Consolidated Financial Statements.

Application of new and revised HKFRSs for the Period

The Group has applied the following new and revised HKFRSs that are mandatory for the first time for the Period:

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

The application of the new and revised HKFRSs and Interpretations in the period has no material impact on the Group's financial performance and positions for the current period and/or on the disclosures set out in these Unaudited Condensed Consolidated Financial Statements, except as noted below:

HKFRS 16

HKFRS 16 supersedes HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-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 most leases under a single lessee accounting 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 an impact for 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 initially applying the standard recognised at the date of initial application. 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. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases"), and lease contracts for which the underlying asset is of low value ("leases of low-value assets").

The transition effects arising from the adoption of HKFRS 16 are presented below.

The following tables analyse the impact, net of tax, of transition to HKFRS 16 on the condensed consolidated statement of financial position of the Group:

	1 April 2019 HK$'000 (unaudited)
Right-of-use assets	
Closing balance under HKAS 17 at 31 March 2019	–
– Recognition of right-of-use assets under HKFRS 16	14,679
Opening balance under HKFRS 16 at 1 April 2019	14,679
Lease liabilities	
Closing balance under HKAS 17 at 31 March 2019	–
– Recognition of lease liabilities under HKFRS 16	14,776
Opening balance under HKFRS 16 at 1 April 2019	14,776
Accumulated losses	
Closing balance under HKAS 17 at 31 March 2019	(407,937)
– Recognition of right-of-use assets under HKFRS 16	14,679
– Recognition of lease liabilities under HKFRS 16	(14,776)
Opening balance under HKFRS 16 at 1 April 2019	(408,034)

Consolidated statement of financial position

	31 March 2019 (audited) HK$'000	Adoption of HKFRS 16 (unaudited) HK$'000	1 April 2019 (unaudited) HK$'000
Assets			
Property, plant and equipment	1,274	–	1,274
Right-of-use assets	–	14,679	14,679
Intangible assets	12,800	–	12,800
Goodwill	83,146	–	83,146
Deposits placed for life insurance policies	2,665	–	2,665
Investments in associates and a joint venture	1,021	–	1,021
Loan receivable	182,146	–	182,146
Other receivables, deposits and prepayments	29,992	–	29,992
Deferred tax assets	1,320	–	1,320
Financial assets at FVTPL	45,949	–	45,949
Trade receivables	10,915	–	10,915
Tax recoverable	70	–	70
Bank balances and cash	6,983	–	6,983
	378,281	14,679	392,960
Liabilities			
Trade payable	10,200	–	10,200
Other payables and accruals	35,475	–	35,475
Amount due to a director	1,069	–	1,069
Amount due to a related party	4,714	–	4,714
Contract liabilities	2,015	–	2,015
Bank and other borrowings	10,406	–	10,406
Tax payables	60	–	60
Deferred tax liabilities	2,112	–	2,112
Lease liabilities	–	14,776	14,776
Finance lease payables	313	–	313
Promissory notes	55,620	–	55,620
	121,984	14,776	136,760
Net assets	256,297	(97)	256,200
Equity			
Share capital	58,296	–	58,296
Reserves	189,537	(97)	189,440
Non-controlling interests	8,464	–	8,464
Total equity	256,297	(97)	256,200

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for land and buildings. Before the adoption of HKFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under other assets and other liabilities, respectively.

Upon adoption of HKFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equals to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term lease recognition exemption to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 April 2019:

- Right-of-use assets of approximately HK$14,679,000 were recognised and presented condensed separately in the consolidated statement of financial position.
- Additional lease liabilities of approximately HK$14,776,000 were recognised.
- The net effect of these adjustments had been adjusted to accumulated losses in the amount of approximately HK$97,000.

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

	HK$'000
Operating lease commitments as at 31 March 2019	17,600
Incremental borrowing rate as at 1 April 2019	4.625%
Discounted operating lease commitments and lease liabilities as at 1 April 2019	14,776

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of HKFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use 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 depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured 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 terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period during 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 (i.e. a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset).

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered as low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

3. REVENUE AND OTHER INCOME

The Group's revenue and other income are as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)	**2019 HK$'000 (unaudited)**	2018 HK$'000 (unaudited)
Revenue				
Asset advisory and asset appraisal services income	**2,734**	4,296	**18,443**	19,635
Corporate services and consultancy income	**233**	612	**1,077**	1,596
Media advertising income	**2,552**	998	**4,830**	3,161
Financial services	**3,127**	2,956	**9,820**	9,362
	8,646	8,862	**34,170**	33,754
Other income				
Bank interest income	**1**	1	**3**	2
Sub-leasing income	**324**	572	**972**	1,716
Sundry income	**210**	94	**646**	1,343
	535	667	**1,621**	3,061

4. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)	**2019 HK$'000 (unaudited)**	2018 HK$'000 (unaudited)
Interest on bank borrowings	**329**	42	**1,465**	98
Interest on promissory notes	**405**	405	**1,215**	1,215
Finance lease charges	**133**	4	**450**	12
Interest on other borrowings	**–**	–	**3**	–
	867	451	**3,133**	1,325

5. LOSS BEFORE TAX

The Group's loss before tax is stated after charging/(crediting) the followings:

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)	**2019 HK$'000 (unaudited)**	2018 HK$'000 (unaudited)
Depreciation				
– Owned assets	**92**	162	**290**	487
– Right-of-use assets	**1,631**	–	**4,893**	–
Fair value (gain)/loss on financial assets at FVTPL	**(2,319)**	2,617	**20,024**	13,339
Loss/(gain) on disposal of financial assets at FVTPL	**1,092**	(480)	**4,732**	(552)

6. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)	**2019 HK$'000 (unaudited)**	2018 HK$'000 (unaudited)
Current tax – Hong Kong Profits Tax				
Provision for the period	**72**	428	**211**	1,065

The Inland Revenue (Amendment) (No. 3) Ordinance 2018 was enacted on 29 March 2018 introducing the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of a corporation will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. For the nine months ended 31 December 2019 (the "Period"), Hong Kong Profits Tax of the nominated Group company is calculated in accordance with the two tiered profits tax rates regime. The assessable profits of other Group companies in Hong Kong will continue to be taxed at the tax rate of 16.5%.

There was no significant unprovided deferred tax for the relevant periods and at the end of each reporting period.

7. DIVIDEND

The Board has resolved not to declare the payment of a dividend for the Period (nine months ended 31 December 2018: Nil).

8. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company for the three months and nine months ended 31 December 2019 of approximately HK$6,301,000 (2018: HK$8,225,000) and HK$48,363,000 (2018: HK$24,661,000), respectively and the weighted average number of shares for the three months and nine months ended 31 December 2019 of 582,955,860 (2018: restated: 582,955,860) in issue.

For the purpose of calculation of basic and diluted loss per share for the three months and nine months ended 31 December 2019 and 2018, the share consolidation of the Company being effective on 15 January 2019 was deemed to be effective throughout the Period. Accordingly, the weighted average number of ordinary shares of the Company in issue during the three months and nine months ended 31 December 2018 were adjusted to reflect the share consolidation.

Diluted loss per share

Diluted loss per share attributable to owners of the Company for the three months and nine months ended 31 December 2019 and 2018 are the same as the respective basic loss per share because all potential dilutive Shares would decrease the loss per share, and therefore, is anti-dilutive.

9. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Foreign currency translation reserve HK$'000	Accumulated losses HK$'000	Share-based payment reserve HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2019 (audited)	58,296	581,772	5,359	(656)	(407,937)	10,999	247,833	8,464	256,297
Impact on initial application of HKFRS 16 (unaudited)	–	–	–	–	(97)	–	(97)	–	(97)
Adjusted balance at 1 April 2019 (unaudited)	58,296	581,772	5,359	(656)	(408,034)	10,999	247,736	8,464	256,200
Loss and total comprehensive income for the period (unaudited)	–	–	–	(699)	(48,363)	–	(49,062)	(1,219)	(50,281)
Equity-settled share-based payments (unaudited)	–	–	–	–	–	9,038	9,038	–	9,038
At 31 December 2019 (unaudited)	58,296	581,772	5,359	(1,355)	(456,397)	20,037	207,712	7,245	214,957
At 1 April 2018 (audited)	58,296	581,772	5,359	241	(344,133)	13,545	315,080	9,977	325,057
Impact on initial application of HKFRS 15	–	–	–	–	(3,007)	–	(3,007)	(747)	(3,754)
Adjusted balance at 1 April 2018 (unaudited)	58,296	581,772	5,359	241	(347,140)	13,545	312,073	9,230	321,303
Loss and total comprehensive income for the period (unaudited)	–	–	–	(836)	(16,436)	–	(17,272)	(692)	(17,964)
Effect of forfeiture of share options granted (unaudited)	–	–	–	–	2,547	(2,547)	–	–	–
At 31 December 2018 (unaudited)	58,296	581,772	5,359	(595)	(361,029)	10,998	294,801	8,538	303,339

10. EVENTS AFTER THE REPORTING PERIOD

Up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal; (ii) corporate services and consultancy; (iii) media advertising; and (iv) financial services.

Asset Advisory Services and Asset Appraisal

Asset advisory services and asset appraisal are the core business of the Group, which typically involves the provision of independent valuation services to a number of listed groups to meet market, regulatory and fiduciary requirements, sourcing and identifying potential investment opportunities or investors, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic business advices. Asset advisory services income is primarily success-based and project-based nature.

Corporate Services and Consultancy

The corporate services and consultancy segment mainly focuses on the provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management and other operational aspects as well as provision of back office administration.

Media Advertising

Media advertising income is generated mainly through its in-elevator poster frames network and liquid-crystal-display network inside the elevators or lift lobbies of middle to high-end residential communities.

Financial Services

The financial services segment mainly represents the provision of services relating to the dealing in securities via a licensed corporation under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO") via an indirect subsidiary and provision of money lending services.

The provision of services relating to the dealing in securities mainly involves provision of Type 1 (dealing in securities) regulated activity and services under the SFO while the money lending business mainly involves provision of financial credit services such as personal loans and commercial loans to individuals and corporations.

FINANCIAL REVIEW

The Group's revenue for the Period was approximately HK$34.2 million (nine months ended 31 December 2018: approximately HK$33.8 million), representing a slight increase of approximately 1.2% from that of the corresponding period of 2018 (the "Last Correspondence Period"). The Group's revenue during the Period remained stable when compared to Last Correspondence Period.

The Group's cost of sales for the Period was approximately HK$13.9 million (nine months ended 31 December 2018: approximately HK$13.5 million), representing an increase of approximately 3.0% from those of the Last Corresponding Period. The slight increase in cost of sales was in line with the slight increase in revenue during the Period.

The Group's marketing, administrative and other operating expenses for the Period were approximately HK$43.5 million (nine months ended 31 December 2018: approximately HK$33.1 million), representing an increase of approximately 31.4% from those of the Last Corresponding Period. The increase was mainly attributable to increase resources deployed on business development and marketing to boost sales during the Period.

The Group's total net loss on fair value loss on financial assets at fair value through profit or loss ("FVTPL") and net loss on disposal of financial assets at FVTPL for the Period were approximately HK$24.8 million (nine months ended 31 December 2018: total loss on fair value loss on financial assets at FVTPL and gain on disposal at financial assets at FVTPL were approximately HK$12.8 million). Details are set out in the section headed "Significant Investments Held".

The Group's finance costs for the Period amounted to approximately HK$3.1 million (nine months ended 31 December 2018: approximately HK$1.3 million), representing an increase of approximately 138.5% from those of the Last Corresponding Period. The substantial increase was attributable to the interest arising from the new borrowings during the Period to meet the needs of working capital and the interest on lease liabilities due to the adoption of HKFRS 16 during the Period.

Accordingly, the loss attributable to owners of the Company for the Period was approximately HK$48.4 million (nine months ended 31 December 2018: loss of HK$24.7 million). The increase in the loss was mainly attributable to the net fair value loss on financial assets at FVTPL of approximately HK$20.0 million and the net loss on disposal of financial assets at FVTPL of approximately HK$4.7 million.

CAPITAL STRUCTURE

There was no change in the capital structure of the Group as at 31 December 2019 as compared with that as at 31 March 2019.

REVIEW ON PROVISION OF FINANCIAL ASSISTANCE

During the Period, none of the financial assistance provided by the Group constituted "discloseable transaction" under Chapter 19 of the GEM Listing Rules, "connected transaction" under Chapter 20 of the GEM Listing Rules and "advances to entity" which requires disclosure pursuant to Chapter 17 of the GEM Listing Rules.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2019, the Group's financial assets at FVTPL, with a total market value of approximately HK$13.8 million (31 March 2019: HK$45.9 million), represented an investment portfolio of six equity securities listed in Hong Kong (31 March 2019: eight equity securities listed in Hong Kong). Details of the financial assets at FVTPL were set out as follows:

			As at 31 December 2019				For the nine months ended 31 December 2019		As at 31 March 2019
Name of securities	**Investment cost** HK$'000	**Number of shares held**	**Percentage of shareholding interest**	**Fair value/ carrying value HK$'000**	**Percentage to the financial assets at FVTPL**	**Percentage to the net assets**	**Realised loss HK$'000**	**Unrealised loss HK$'000**	Fair value/ carrying value HK$'000
WLS Holdings Limited ("WLS") (Stock code: 8021) *(Note 1)*	21,669	416,000,000	1.74%	5,500	39.9%	2.6%	(726)	(7,478)	17,472
China e-Wallet Payment Group Limited ("e-Wallet") (Stock code: 802) *(Note 2)*	6,420	60,000,000	2.19%	6,780	49.2%	3.2%	–	(5,940)	12,720
Other investments *(Notes 3 and 4)*	13,783	32,485,000		1,499	10.9%	0.7%	(4,006)	(6,606)	15,757
	41,872			13,779	100%	6.5%	(4,732)	(20,024)	45,949

Notes:

1. WLS is principally engaged in the provision of scaffolding and fitting-out services, management contracting services, other services for construction and buildings work, money lending business and trading of securities in Hong Kong.

2. e-Wallet is principally engaged in the provision of biometric and radio frequency identification products and solution services, internet and mobile application and related services.

3. The carrying value of the investment represented less than 1% of the net assets of the Group as at 31 December 2019.

4. The Group had less than 1% of the shareholding interest in the investment as at 31 December 2019.

During the Period, the Group recorded a realised loss of approximately HK$4.7 million and an unrealised loss of approximately HK$20.0 million (nine months ended 31 December 2018: realised gain of approximately HK$0.6 million and unrealised loss of approximately HK$13.3 million) under the volatile stock market conditions.

The future performance of the equity securities held by the Group may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Save as disclosed above, there were no other significant investments held by the Group as at 31 December 2019.

OUTLOOK

Looking ahead, the revenue from each of the sectors of asset advisory and corporate consultancy services remains promising with a steady demand for professional commercial services in the People's Republic of China (the "PRC"), Taiwan, Hong Kong and Macau (together, the "Greater China"). As companies in the Greater China, especially in the PRC, continue to expand in corporate size, operational complexity and geographical diversification as well as undergo restructuring, listing and mergers and acquisitions, the demand for a leading professional advisor on asset value, procedures and regulations, as well as investment matching is expected to remain high. In view of the Group's existing competitive advantages and market position in its core business segments, the Group is confident that its experienced professional teams and provision of convenient one-stop professional services will keep it well-positioned to capture the surging business opportunities.

Despite that the revenue from media advertising remained steady when compared to the corresponding period, as there is keen competition in the media advertising industry in the PRC and demand of new advertising channels, the Group will constantly seek new customers.

The financial services segment is expected to be challenging in coming year. The Group will continue its effort to enhance our competitiveness within the ever changing industry and economy. The Group will closely monitor its cash position, and will continue to seek investment and business opportunities, with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the shareholders of the Company.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2019, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

(a) Long positions in the Shares

Name of Directors	Capacity/ nature of interests	Number of issued Shares held	Number of underlying Shares held *(Note 3)*	Total	Approximate percentage to the issued Shares *(Note 1)*
Mr. Ip Kwok Kwong ("Mr. Ip")	Interest in controlled corporation and beneficial owner/ Corporate interest and personal interest	31,085,000 *(Note 2)*	5,829,500	36,914,500	6.33%
Mr. Wu Di ("Mr. Wu")	Beneficial owner/ Personal interest	–	5,829,500	5,829,500	1.00%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 31 December 2019.

2. 31,085,000 Shares were held by Brilliant One Holdings Limited ("Brilliant One") which was wholly owned by GC Holdings Limited ("GC Holdings"). GC Holdings was wholly owned by Mr. Ip, an executive Director (the "ED") and the Managing Director (the "MD"). By virtue of the SFO, Mr. Ip was deemed to have interests in all the Shares held by Brilliant One.

3. Mr. Ip and Mr. Wu, EDs were granted the options under the share option scheme of the Company on 18 April 2019 at an exercise price of HK$0.279 per Share with the exercisable period from 18 April 2019 to 17 April 2022 (both dates inclusive).

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporations	Capacity/nature of interests	Number of issued shares held	Percentage of interest in associated corporations
Mr. Ip *(Note)*	Brilliant One	Interest in a controlled corporation/Corporate interest	200	100%
Mr. Ip *(Note)*	GC Holdings	Beneficial owner/Personal interest	1	100%

Note: The Company was owned as to approximately 5.33% by Brilliant One. Brilliant One was wholly owned by GC Holdings which was in turn wholly owned by Mr. Ip.

Save as disclosed above, as at 31 December 2019, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2019, the following corporations which or persons who (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to section 336 of the SFO:

Long positions in the Shares

Name of shareholders	Capacity/ nature of interests	Number of issued Shares held	Approximate percentage to the issued Shares *(Note 1)*
Brilliant One *(Notes 2)*	Beneficial Owner/Personal interest	31,085,000	5.33%
GC Holdings *(Note 2)*	Beneficial Owner/Personal interest	31,085,000	5.33%
Laberie Holdings Limited ("Laberie") *(Note 3)*	Beneficial Owner/Personal interest	140,000,000	24.02%
SEEC Media Group Limited ("SEEC Media") *(Note 3)*	Interest in a controlled Corporation/Corporate interest	140,000,000	24.02%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 31 December 2019.

2. Brilliant One was wholly owned by GC Holdings which was wholly owned by Mr. Ip, an ED and the MD. Therefore, under the SFO, GC Holdings was deemed to be interested in all the Shares held by Brilliant One.

3. Laberie was wholly owned by SEEC Media. By virtue of the SFO, SEEC Media was deemed to be interested in all the Shares held by Laberie.

Save as disclosed above, as at 31 December 2019, the Company had not been notified by any corporations which or persons who (other than a Director or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to section 336 of the SFO.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors (the "Required Standard of Dealings"). The Company had made a specific enquiry with each of the Directors and all of them confirmed that they had complied with the Required Standard of Dealings during the Period.

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete or was likely to compete, either directly or indirectly, with the business of the Group during the Period.

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

The Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Period.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules (the "CG Code") during the Period save for code provision A.2.1 of the CG Code, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Company currently does not have any officer who carries the title of the chairman of the Board (the "Chairman") or chief executive officer of the Company (the "CEO") but instead, the roles of both the Chairman and the CEO are performed by Mr. Ip, an ED and the MD. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

AUDIT COMMITTEE

The Unaudited Condensed Consolidated Financial Statements and this report have been reviewed by the audit committee of the Board, which was of the opinion that such results and report had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Asia-Pac Financial Investment Company Limited
Ip Kwok Kwong
Executive Director and Managing Director

Hong Kong, 10 February 2020

As at the date of this report, the Board comprises Mr. Ip Kwok Kwong (Managing Director) and Mr. Wu Di as executive Directors; Mr. Cheung Ka Chun, Mr. So Kwok Yun and Mr. Tang Wai Kee as independent non-executive Directors.