



華銀控股有限公司

SINO CREDIT HOLDINGS LIMITED

Stock Code : 00628



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Tat Fun (*Chairman*)

Mr. Chung Ho Chun

Mr. Fu Ear Ly

Mr. Huang Weibo

(re-designated on 24 June 2015)

Non-executive Directors

Mr. So Chak Fai, Francis

Ms. Wong Yee Shuen, Regina

(re-designated on 1 August 2015)

Independent Non-executive Directors

Ms. Lee Shiow Yue

Mr. Poon Wai Hoi, Percy

Mr. Tang Chi Ho, Francis

COMPANY SECRETARY

Ms. Foo Man Yee, Carina

AUDIT COMMITTEE

Mr. Poon Wai Hoi, Percy (*Chairman*)

Ms. Lee Shiow Yue

Mr. Tang Chi Ho, Francis

REMUNERATION COMMITTEE

Ms. Lee Shiow Yue (*Chairman*)

Mr. Tang Chi Ho, Francis

Mr. Chung Tat Fun

NOMINATION COMMITTEE

Ms. Lee Shiow Yue (*Chairman*)

Mr. Tang Chi Ho, Francis

Mr. Chung Tat Fun

AUDITORS

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

31/F., Gloucester Tower

The Landmark, 11 Pedder Street

Central, Hong Kong

BANKERS

Industrial and Commercial Bank of China

Bank of Communications

SOLICITORS

As to Hong Kong Law

Goodwin Procter

Michael Li & Co.

As to Bermuda Law

Conyers Dill & Pearman

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1502, 15/F

Far East Finance Centre

16 Harcourt Road

Admiralty

Hong Kong

SHARE REGISTRARS

Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM08

Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited

A18/F., Asia Orient Tower

Town Place, 33 Lockhart Road

Wanchai

Hong Kong

STOCK CODE

628

INVESTOR RELATIONS

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015 – Unaudited

	Note	2015 HK\$'000	2014 HK\$'000
Revenue	4	27,003	31,215
Other income	4	47	116
Other gains and losses, net	4	1,358	11,158
Administrative expenses		(14,233)	(25,343)
Impairment loss on loans receivable	10	(1,734)	–
Finance costs	5	(11,228)	(2,808)
Profit before income tax		1,213	14,338
Income tax expenses	6	(15)	(7,514)
Profit for the period	7	1,198	6,824
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences		(15,427)	2,011
Total comprehensive (loss)/profit for the period		(14,229)	8,835
Profit for the period attributable to owners of the Company		1,198	6,824
Total comprehensive (loss)/profit for the period attributable to owners of the Company		(14,229)	8,835
Earnings per share attributable to owners of the Company	8		
– Basic		0.19 HK cents	1.16 HK cents
– Diluted		0.19 HK cents	1.16 HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015 – Unaudited

	Note	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		6,157	6,269
Intangible assets		5,878	5,878
Goodwill		53,646	53,646
Investment properties		606,961	627,328
Deferred tax assets		1,979	1,804
		674,621	694,925
Current assets			
Financial assets at fair value through profit or loss		32,234	30,559
Trade and loans receivable	10	167,960	177,669
Prepayments, deposits and other receivables		7,919	2,551
Cash and cash equivalents		16,112	26,426
		224,225	237,205
Liabilities			
Current liabilities			
Trade payables		4,343	511
Accruals and other payables		5,305	10,767
Borrowings		99,645	100,720
		109,293	111,998
Net current assets		114,932	125,207
Total assets less current liabilities		789,553	820,132
Non-current liabilities			
Borrowings		165,519	186,881
Bonds		30,875	21,945
Deferred tax liabilities		107,910	111,828
		304,304	320,654
Net assets		485,249	499,478
Capital and reserves			
Share capital	11	63,478	63,478
Reserves		421,771	436,000
Total equity		485,249	499,478

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015 – Unaudited

	Attributable to owners of the Company									Total Equity HK\$'000
	Share capital	Share premium	Contributed surplus	Capital reserves	Revaluation reserves	Share option reserves	Exchange reserves	Accumulated losses	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2014	55,857	802,210	569,044	85,889	638	-	(1,171)	(1,108,344)	348,266	404,123
Profit for the period	-	-	-	-	-	-	-	6,824	6,824	6,824
Other comprehensive income	-	-	-	-	-	-	2,011	-	2,011	2,011
Total comprehensive income	-	-	-	-	-	-	2,011	6,824	8,835	8,835
Placing of shares	4,300	48,375	-	-	-	-	-	-	48,375	52,675
Share-base compensation	-	-	-	-	-	12,762	-	-	12,762	12,762
At 30 September 2014	60,157	850,585	569,044	85,889	638	12,762	840	(1,101,520)	418,238	478,395
At 1 April 2015	63,478	908,038	569,044	85,889	638	23,357	(839)	(1,150,127)	436,000	499,478
Profit for the period	-	-	-	-	-	-	-	1,198	1,198	1,198
Other comprehensive loss	-	-	-	-	-	-	(15,427)	-	(15,427)	(15,427)
Total comprehensive (loss)/income	-	-	-	-	-	-	(15,427)	1,198	(14,229)	(14,229)
Share-base compensation	-	-	-	-	-	(2,273)	-	2,273	-	-
At 30 September 2015	63,478	908,038	569,044	85,889	638	21,084	(16,266)	(1,146,656)	421,771	485,249

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015 – Unaudited

	2015 HK\$'000	2014 HK\$'000
Net cash generated from/(used in) operating activities	378	(119,210)
Net cash used in investing activities	(18,982)	(1,554)
Net cash generated from financing activities	10,000	52,675
Net decrease in cash and cash equivalents	(8,604)	(68,089)
Cash and cash equivalents at beginning of period	26,426	98,553
Effect of foreign exchange rate changes	(1,710)	2,041
Cash and cash equivalents at end of period	16,112	32,505

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 BASIC OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 March 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The condensed consolidated interim financial information was approved for issue on 26 November 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the current period, the Group has adopted all the new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for the periods on or after 1 April 2015. The application of the new HKFRSs has no material impact on the condensed consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements:

HKFRS 9	Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
HKFRS 14	Regulatory Deferral Accounts ³
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plant ¹
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements ¹
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. The Group is not yet in a position to state whether they would have a significant impact on the Group’s results of operations and financial position.

3 SEGMENT INFORMATION

The management of the Company has determined the operating segments based on the internal reports reviewed and used by executive Directors for strategic decision making. The executive Directors consider the business from a product and service perspectives. Summary of details of the operating segments is as follows:

- **Financing services**

Provision of pawn loans services, real estate-backed loan service, financial leasing service, commercial factoring service, other loan service, and financial consulting services in the People's Republic of China (the "PRC"), and money lending service in Hong Kong.

- **Properties leasing**

Receiving profit streams from leasing retail premises in PRC.

(a) Business segments

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information for the six months ended 30 September 2015 and 2014 by operating segments is as follows:

	Financing services		Properties leasing		Total	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Revenue (from external customers)	12,253	31,215	14,750	–	27,003	31,215
Segment results	375	28,341	5,161	–	5,536	28,341
Fair value changes on financial assets at FVTPL					1,675	1,057
Bank interest income					31	116
Finance costs					(1,303)	–
Unallocated expenses					(4,726)	(15,176)
Profit before income tax					1,213	14,338
Income tax expenses					(15)	(7,514)
Profit for the period					1,198	6,824

3 SEGMENT INFORMATION (continued)

(a) Business segments (continued)

Segment results represent the profit earned by each segment without allocation of fair value changes on financial assets at fair value through profit or loss ("FVTPL"), finance income, finance costs and corporate expenses. This is the measure reported to the executive Director for the purpose of resource allocation and assessment of segment performance.

	Financing services		Properties leasing		Total	
	As at 30 September 2015 HK\$'000	As at 31 March 2015 HK\$'000	As at 30 September 2015 HK\$'000	As at 31 March 2015 HK\$'000	As at 30 September 2015 HK\$'000	As at 31 March 2015 HK\$'000
Segment assets	217,983	213,476	647,803	687,936	865,786	901,412
Financial assets at FVTPL					32,234	30,559
Unallocated assets					826	159
Total assets					898,846	932,130
Segment liabilities	(78,373)	(94,544)	(332,972)	(335,294)	(411,345)	(429,838)
Unallocated liabilities					(2,252)	(2,814)
Total liabilities					(413,597)	(432,652)

Other segment information:

	Financing services		Properties leasing		Unallocated items		Total	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Depreciation	1,238	465	-	-	4	3	1,242	468
Provision/(reversal) on loans receivable	1,026	(10,068)	-	-	-	-	1,026	(10,068)
Fair value change on investment properties	-	-	1,025	-	-	-	1,025	-
Corporate expenditure	1,601	1,618	1,189	-	1,099	-	3,889	1,618

3 SEGMENT INFORMATION *(continued)*

(a) Business segments *(continued)*

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

- All assets are allocated to reportable segments other than financial assets at FVTPL and corporate financial assets; and
- All liabilities are allocated to reportable segments other than corporate financial liabilities.

(b) Geographical information

The Group operates in two principal areas – the PRC and Hong Kong. Revenue and non-current assets by location are detailed below:

	Revenue from external customers		Non-current assets	
	Six months ended 30 September 2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	As at 30 September 2015 <i>HK\$'000</i>	As at 31 March 2015 <i>HK\$'000</i>
Hong Kong	3,252	4,085	2,371	2,673
PRC	23,751	27,130	672,250	692,252
	27,003	31,215	674,621	694,925

4 REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
Revenue		
Real estate-backed loan interest income	2,053	7,859
Personal property pawn loan interest income	1,789	6,865
Other loans interest income	3,440	12,348
Financial consultancy service income	241	2,208
Commercial factoring interest income	3,804	1,516
Financing lease interest income	926	419
Rental income	14,750	–
	27,003	31,215
Other income		
Bank interest income	31	116
Other	16	–
	47	116
Other gains and losses, net		
Reversal of impairment loss on loans receivable	708	10,068
Fair value changes on investment properties	(1,025)	–
Fair value changes on financial assets at FVTPL	1,675	1,057
Exchange loss	–	33
	1,358	11,158

5 FINANCE COSTS

	Six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Interest on:		
Bank borrowings not wholly repayable within five years	6,916	–
Borrowings wholly repayable within five years	3,009	2,808
Bonds not wholly repayable within five years	1,303	–
	11,228	2,808

6 INCOME TAX EXPENSES

	Six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Current income tax:		
Outside Hong Kong	4,107	4,997
Deferred tax	(4,092)	2,517
	15	7,514

PRC corporate income tax is provided for at the rate of 25% on the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising from Hong Kong during the period. The Group has no assessable profit under Hong Kong profits tax for the period ended 30 September 2015 and 2014.

7 PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging:

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
Business taxes and other levies	1,332	1,433
Depreciation	1,242	468
Legal and professional fee	2,026	710
Minimum lease payments under operating leases in respect of land and buildings	2,048	1,990
Staff costs (including directors' emoluments)	4,762	5,889
Share-based compensation	–	12,762

8 EARNINGS PER SHARE

Basic

The calculation of the basic earnings per share is based on the Group's profit attributable to the owners of the Company of HK\$1,198,000 (2014: HK\$6,824,000) and the weighted average number of 634,781,000 (2014: 590,057,000) ordinary shares in issue during the period.

Diluted

	Six months ended 30 September	
	2015	2014
Profit for the purpose of earnings per share (HK\$'000)	1,198	6,824
<i>Number of shares</i>		
Weighted average number of ordinary shares in issue (thousands)	634,781	590,057
<i>Adjustments for:</i>		
Effect of dilutive potential shares issuable under the Company's share options scheme (thousands)	6,367	–
Weighted average number of ordinary shares used to determine diluted earnings per share (thousands)	641,148	590,057

8 EARNINGS PER SHARE (continued)

Diluted (continued)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has one category of dilutive potential ordinary shares: share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average period market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The weighted average number of ordinary shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options.

9 DIVIDEND

The directors do not recommend the payment of interim dividend for the six months ended 30 September 2015 and 2014.

10 TRADE AND LOANS RECEIVABLE

	As at 30 September 2015 HK\$'000	As at 31 March 2015 HK\$'000
Trade receivable		
Rental receivable	5,765	2,305
Loans receivable		
Real estate-backed loans receivable	6,701	6,962
Personal property pawn loans receivable	15,080	20,036
Commercial factoring loans receivable	19,846	48,026
Financing lease loans receivable	15,094	48,492
Other loans receivable	113,598	59,066
	170,319	182,582
Less: Provision for impairment loss	(8,124)	(7,218)
	162,195	175,364
	167,960	177,669

10 TRADE AND LOANS RECEIVABLE (continued)

The Group's loans receivables based on the loan quality as of each of reporting date is as follows:

	As at 30 September 2015 HK\$'000	As at 31 March 2015 HK\$'000
Normal	151,765	169,438
Special mentioned	7,524	3,525
Substandard	1,746	884
Doubtful	5,258	5,827
Loss	4,026	2,908
<hr/>		
Gross loans receivable	170,319	182,582
Less: Provision for impairment loss	(8,124)	(7,218)
<hr/>		
Net loans receivable	162,195	175,364

Based on the loan commencement date set out in the relevant contracts, aging analysis of the Group's trade and loans receivable as of each reporting date is as follows:

	As at 30 September 2015 HK\$'000	As at 31 March 2015 HK\$'000
Within 3 months	21,979	45,335
3-6 months	46,707	58,200
6-12 months	40,542	22,286
Over 12 months	66,856	59,066
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	176,084	184,887
Less: Provision for impairment loss	(8,124)	(7,218)
<hr/>		
	167,960	177,669

10 TRADE AND LOANS RECEIVABLE *(continued)*

Movements in the impairment loss of the loans receivable during the period are as follows:

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
At 1 April	(7,218)	(10,088)
Impairment loss recognised on loans receivable	(1,734)	–
Reversal of impairment loss	708	10,068
Exchange alignment	120	20
	<hr/>	<hr/>
At 30 September	(8,124)	–

11 SHARE CAPITAL

	Number of shares	Share capital
	<i>'000</i>	<i>HK\$'000</i>
Authorized:		
Ordinary shares of HK\$0.1 each as at 1 April 2014, 30 September 2014, 1 April 2015 and 30 September 2015	6,000,000	600,000
<hr/>		
Issued and fully paid:		
Ordinary shares of HK\$0.1 each as at 1 April 2014	558,570	55,857
Issue new ordinary shares:		
Placing of new ordinary shares	43,000	4,300
<hr/>		
Ordinary shares of HK\$0.1 each as at 30 September 2014	601,570	60,157
<hr/>		
Ordinary shares of HK\$0.10 each as at 1 April 2015 and 30 September 2015	634,780	63,478

12 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital Commitments

As at 30 September 2015, the Group had capital expenditure commitments amounted to approximately HK\$20.9 million (31 March 2015: 1.9 million).

	As at 30 September 2015 HK\$'000	As at 31 March 2015 HK\$'000
Not later than one year	11,634	1,890
Later than one year and no later than five years	9,248	–
	20,882	1,890

(b) Operating Lease Commitments

The Group as lessee

The Group leases certain of its offices under operating lease arrangements, which are negotiated for terms ranging from one to five years.

At 30 September 2015, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	As at 30 September 2015 HK\$'000	As at 31 March 2015 HK\$'000
Not later than one year	5,042	2,849
Later than one year and no later than five years	2,731	2,308
	7,773	5,157

(c) Contingent Liabilities

As at 30 September 2015, the Group had no significant contingent liabilities (31 March 2015: Nil).

13 MATERIAL RELATED PARTY TRANSACTIONS

The Group had entered into the following transactions with related parties which, in the opinion of the directors, were carried out in the ordinary course of the Group's business during the six months ended 30 September 2015.

Key management personnel remuneration

Remuneration for key personnel management, including amount paid to the Company's directors and senior management of the Company is as follows:

	Six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Salaries and allowances	3,030	2,839
Share-based compensation	–	8,792
Pension scheme contributions	24	30
	3,054	11,661

14 COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been reclassified to conform to current period presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's consolidated revenue generated for the six months ended 30 September 2015 were approximately HK\$27.0 million (2014: HK\$31.2 million), a decrease of 13.5% compared to the same period of last year. Profit attributable to the owners of the Company for the six months ended 30 September 2015 was approximately HK\$1.2 million (2014: HK\$6.8 million). Basic earnings per share was 0.19 HK cents (2014: 1.16 HK cents).

Financial services business

For the six months ended 30 September 2015, the Group recorded revenue of HK\$12.3 million (2014: HK\$31.2 million) in financial services sector. This is a decrease of 60.7% compared to the last period mainly as a result of the reduced contribution from our business in the PRC, including the interest income from the real estate-backed loan, personal property pawn loan and other loans. During the period, the Group continued to maintain a tight policy in evaluating credit risk associated with slowdown in the property market in the PRC and fewer loans were granted to customers as a results.

The operating earnings (before tax and bad and doubtful debts) amounted to HK\$1.4 million (2014: HK\$18.3 million). The gross loan balance (before provision for impairment allowance) reduced to HK\$170.3 million, a 64.1% annual drop against the balance at 30 September 2014.

<i>(HK\$'000)</i>	30.9.2015	30.9.2014	Change
Revenue	12,253	31,215	-60.7%
Operating expenses	(7,843)	(10,134)	-22.6%
Finance costs	(3,009)	(2,808)	7.2%
Operating earnings	1,401	18,273	-92.3%
(Charges)/credit for bad and doubtful debts	(1,026)	10,068	-110.2%
Operating earnings before tax	375	28,341	-98.7%

Financial services income

The following table sets forth the composition of financial services income.

<i>(HK\$'000)</i>	30.9.2015	30.9.2014	Change
Real estate-backed loan income	2,053	7,859	-73.9%
Personal property pawn loan income	1,789	6,865	-73.9%
Financing leasing income	926	419	121.0%
Commercial factoring income	3,804	1,516	150.9%
Other loans interest income	3,440	12,348	-72.1%
Financial consultancy service income	241	2,208	-89.1%
Total	12,253	31,215	-60.7%

Key operating data

<i>(HK\$'000)</i>	30.9.2015	30.9.2014	31.3.2015
Net loan balance	162,195	474,313	175,364
Gross loan balance	170,319	474,313	182,582
– Hong Kong	69,059	70,059	59,066
– PRC	101,260	404,254	123,516
Total return on loans (Revenue/Average gross loan balance)			
– Hong Kong	10.15%	10.67%	10.34%
– PRC	16.02%	15.84%	20.57%

Bad and doubtful debts and impairment allowances

During the period, net charges for bad and doubtful debts were HK\$1.0 million. These included bad debts reversal as well as charges arising from the impairment allowance was HK\$1.7 million (2014: net reversal of HK\$10.1 million).

<i>(HK\$'000)</i>	30.9.2015	30.9.2014
Charges to impairment allowance	1,734	–
Amount written off	–	–
Reversal	(708)	(10,068)
Net charges/(reversal) for bad and doubtful debts	1,026	(10,068)

Loan quality analysis and impairment allowances

The following table sets forth the distribution of the Group's loans by the five category loan classification. Impairment allowances include substandard, doubtful and loss categories were HK\$8.1 million (31.3.2015: HK\$7.2 million). The impairment allowance as % of gross loan balance was 4.77% (31.3.2015: 3.95%).

<i>(HK\$'000)</i>	30.9.2015	31.3.2015
Normal	151,765	169,438
Special mention	7,524	3,525
Substandard	1,746	884
Doubtful	5,258	5,827
Loss	4,026	2,908
Gross loan balance	170,319	182,582
Less: impairment allowances	(8,124)	(7,218)
Net loan balance	162,195	175,364
Impairment allowance as % of gross loan balance	4.77%	3.95%

Investment properties business

The Company acquired the investment properties on 31 October 2014, rental income generated from the investment property was approximately HK\$14.8 million for the six months ended 30 September 2015. Mortgage loan on the investment property incurred interest expenses of approximately HK\$6.9 million. The operating earnings amounted to HK\$5.2 million.

On 7 September 2015, the Company, the ("Seller") entered into a sale and purchase agreement with Golden Stone Management Limited, the ("Purchaser"), pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase all the issued shares of Best Volume Investments Limited ("Best Volume") and its subsidiaries (collectively referred to as the ("Best Volume Group")) for a total consideration of HK\$400,000,000. Best Volume Group was a wholly-owned subsidiary of the Company. It owned a commercial property in Guangzhou.

The disposal was completed on 12 November 2015 and Best Volume ceased to be a subsidiary of the Company. The gain from the transaction will be booked in the second half of 2015. Details of the disposal were disclosed in the Company's announcements dated 7 September 2015, 25 September 2015, 12 November 2015 and the Company's circular dated 15 October 2015.

Fair value changes on financial assets

The Group incurred a gain of approximately HK\$1.7 million for the six months ended 30 September 2015 (2014: HK\$1.1 million) resulting from an increase fair value of the listed securities that the Group had invested in.

PROSPECTS

The proceeds from the sale of the investment properties of HK\$400 million will be primarily redeployed in financial services business, including money lending in Hong Kong, provision of pawn loans, commercial factoring and other loans service. In addition, the Group will invest more resources in exploring new opportunities in consumer and commercial finance market for the purposes of business diversification and long-term growth. In particular, the Group will explore how to utilize internet platform to diversify customer base and broaden the revenue stream.

LIQUIDITY AND FINANCIAL RESOURCES

Financial position of the Group has been healthy throughout the financial period. As at 30 September 2015, the Group had total assets of approximately HK\$898.8 million (31 March 2015: HK\$932.1 million), total liabilities of approximately HK\$413.6 million (31 March 2015: HK\$432.7 million). Equity attributable to owners of the Company was approximately HK\$485.2 million (31 March 2015: HK\$499.5 million). The Group's gearing ratio, expressed as a percentage of total liabilities except deferred tax liabilities over owner's equity was 63.0% (31 March 2015: 64.2%).

At 30 September 2015, the cash and cash equivalents of the Group amounted to approximately HK\$16.1 million (31 March 2015: HK\$26.4 million), and the borrowings amounted to approximately HK\$265.2 million (31 March 2015: HK\$287.6 million). The Group's current ratio was 2.05 (31 March 2015: 2.12).

As at 30 September 2015, the Group had issued 8 year corporate bond with principal of HK\$35.0 million (31 March 2015: HK\$25.0 million), which is due on December 2022, and carry interest at fixed rate of 7.0% per annum with interest payable semi-annually in arrears. The corporate bond is unsecured. The fund had been used as general working capital of the Company.

CAPITAL STRUCTURE

During the six months ended 30 September 2015, there is no change to the share capital of the Company. At 30 September 2015, the Company issued share capital of HK\$63,478,078 divided into 634,780,780 shares of HK\$0.1 each.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

Save as disclosed above in investment property business section, the Group did not have any material acquisitions and disposals of subsidiaries and associates during the six months ended 30 September 2015.

CHARGES ON GROUP ASSETS

The Group had pledged the investment properties to secure a banking facility granted to it with outstanding loan balance approximately RMB160.2 million as at 30 September 2015.

CONTINGENT LIABILITIES

As at 30 September 2015, the Group had no significant contingent liabilities.

COMMITMENTS

As at 30 September 2015, the Group had capital expenditure commitments amounted to approximately HK\$20.9 million. Rental payment under non-cancellable operating leases amounted to approximately HK\$7.8 million.

FOREIGN EXCHANGE EXPOSURE

The Group is mainly exposed to the fluctuation of Hong Kong dollars ("HK\$") against Renminbi ("RMB") as its reporting currency is HK\$ which is not the functional currency of the business operation of the Group. The Group has not adopted any hedging policy or entered into any derivative products. However, the Board and management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

TREASURY POLICIES

The Group continues to adopt a conservative treasury policy with all bank deposits in HK\$ and RMB. The Board and the management had been closely monitoring the Group's liquidity position and performing ongoing credit evaluation and financial conditions of its customers in order to ensure the healthy cash position of the Group.

STAFF AND REMUNERATION

As at 30 September 2015, the Group had a total of 35 staff (31 March 2015: 39). Total staff costs during the period amounted to approximately HK\$4.8 million (2014: HK\$5.9 million). Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the Remuneration Committee and the Board on a regular basis. As an incentive for the employees, bonuses and share options may also be given to employees based on individual performance evaluation.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant event after the reporting period.

OTHER INFORMATION

INTERIM DIVIDEND

The Directors do not recommend payment of interim dividend for the six months ended 30 September 2015 (2014: Nil).

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

As at 30 September 2015, the interests and short positions of the Directors and the chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

Long positions in Shares and Underlying Shares in the Company

Ordinary shares of HK\$0.1 each of the Company

Name of Director	Number of shares/underlying shares held in the Company					% of the issued share capital of the Company (Note 6)	Notes
	Personal interest	Corporate interest	Equity derivatives (share options)	Spouse interest	Total interests		
Mr. Chung Tat Fun	–	60,000,000	6,000,000	–	66,000,000	10.39%	1
Ms. Wong Yee Shuen, Regina	–	54,000,000	6,000,000	6,000,000	66,000,000	10.39%	2
Mr. Chung Ho Chun	–	–	6,000,000	–	6,000,000	0.94%	3
Mr. Huang Weibo	–	60,000,000	6,000,000	–	66,000,000	10.39%	4
Mr. So Chak Fai, Francis	11,096,000	–	–	–	11,096,000	1.74%	
Mr. Fu Ear Ly	30,000,000	–	–	–	30,000,000	4.72%	

Notes:

1. Light Tower Holding Limited (“Light Tower”) held 60,000,000 shares. Light Tower is wholly and beneficially owned by Mr. Chung Tat Fun, the Chairman and an Executive Director of the Company, Mr. Chung was granted 6,000,000 share options by the Company. By virtue of SFO, Mr. Chung is deemed to be interested in a total of 66,000,000 shares.
2. Regal Peak Development Limited (“Regal Peak”) held 54,000,000 shares. Regal Peak is wholly and beneficially owned by Ms. Wong Yee Shuen, Regina, a Non-executive Director of the Company, Ms. Wong was granted 6,000,000 share options by the Company. Mr. Lam Tsz Chung, the spouse of Ms. Wong, was granted 6,000,000 share options by the Company. By virtue of SFO, Ms. Wong is deemed to be interested in a total of 66,000,000 shares.
3. Mr. Chung Ho Chun, an Executive Director of the Company, was granted 6,000,000 share options by the Company.
4. Flame Global Holding Limited (“Flame Global”) held 60,000,000 shares. Flame Global is wholly and beneficially owned by Mr. Huang Weibo, an Executive Director of the Company, Mr. Huang was granted 6,000,000 share options by the Company. By virtue of SFO, Mr. Huang is deemed to be interested in a total of 66,000,000 shares.
5. Details of the Directors’ interests in the share options granted by the Company are set out under the heading “SHARE OPTION SCHEME” below.
6. As at 30 September 2015, the issued share capital of the Company is 634,780,780 shares.

Save as disclosed above, as at 30 September 2015, none of the Directors or chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV 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 the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2015, as far as known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company 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 recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in Shares and Underlying Shares in the Company

Ordinary shares of HK\$0.1 each of the Company

Name of Shareholder	Nature of interests	Number of shares held in the Company	Equity derivatives (share options)	Total	% of the issued share capital of the Company	Notes
Light Tower Holding Limited	Beneficial owner	60,000,000	NIL	60,000,000	9.45%	1
Mr. Chung Tat Fun	Corporate interest	60,000,000	NIL	66,000,000	10.39%	1
	Personal interest	NIL	6,000,000			
Regal Peak Development Limited	Beneficial owner	54,000,000	NIL	54,000,000	8.50%	2
Ms. Wong Yee Shuen, Regina	Corporate interest	54,000,000	NIL	66,000,000	10.39%	2
	Personal interest	NIL	6,000,000			
	Spouse interest	NIL	6,000,000			
Flame Global Holding Limited	Beneficial owner	60,000,000	NIL	60,000,000	9.45%	3
Mr. Huang Weibo	Corporate interest	60,000,000	NIL	66,000,000	10.39%	3
	Personal interest	NIL	6,000,000			
SUR Limited	Beneficial owner	34,900,000	NIL	34,900,000	5.49%	4
Mr. Yeung Heung Yeung	Corporate interest	34,900,000	NIL	34,900,000	5.49%	4
Mr. Ng Cheuk Fai	Beneficial owner	35,294,117	NIL	35,294,117	5.56%	
Mr. Ma Siu Chung	Beneficial owner	44,648,000	NIL	44,648,000	7.03%	

Notes:

1. Light Tower Holding Limited (“Light Tower”) held 60,000,000 shares. Light Tower is wholly and beneficially owned by Mr. Chung Tat Fun, the Chairman and an Executive Director of the Company, Mr. Chung was granted 6,000,000 share options by the Company. By virtue of SFO, Mr. Chung is deemed to be interested in a total of 66,000,000 shares.
2. Regal Peak Development Limited (“Regal Peak”) held 54,000,000 shares. Regal Peak is wholly and beneficially owned by Ms. Wong Yee Shuen, Regina, a Non-executive Director of the Company, Ms. Wong was granted 6,000,000 share options by the Company. Mr. Lam Tsz Chung, the spouse of Ms. Wong, was granted 6,000,000 share options by the Company. By virtue of SFO, Ms. Wong is deemed to be interested in a total of 66,000,000 shares.
3. Flame Global Holding Limited (“Flame Global”) held 60,000,000 shares. Flame Global is wholly and beneficially owned by Mr. Huang Weibo, an Executive Director of the Company, Mr. Huang was granted 6,000,000 share options by the Company. By virtue of SFO, Mr. Huang is deemed to be interested in a total of 66,000,000 shares.
4. SUR Limited held 34,900,000 shares. As SUR Limited is wholly and beneficially owned by Mr. Yeung Heung Yeung, he is deemed to be interested in 34,900,000 shares.

Save as disclosed above, as at 30 September 2015, the Company has not been notified by any person (other than Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company’s share option scheme was adopted on 28 September 2012 as an incentive to the Group’s employees and business associates (the “Scheme”). The Scheme shall be valid for a period of ten years from that date.

The maximum number of shares in respect of which option may be granted under the Scheme of the Company may not exceed 10 percent of the issued share capital of the Company at the date of adoption of the Scheme. The maximum entitlement of each eligible participant in the total number of shares issued and to be issued upon exercise of options granted under the Scheme of the Company in any 12 month period shall not exceed 1% of the total number of shares in issue.

On 2 September 2014, the Company granted an aggregate of 21,000,000 share options to subscribe for ordinary shares of HK\$0.1 each of the share to a number of eligible participants (“grantees”) under the Scheme. Each option shall entitle the grantee to subscribe for one share upon exercise of such option at an exercise price of HK\$1.25 per share.

The term and conditions of the options granted at 2 September 2014 are stipulated as below:

Grantees	Directors	Consultant
Start Date	2 September 2014	2 September 2014
Expiry Date	1 September 2017	1 September 2017
Exercise Price	HK\$1.25 per share	HK\$1.25 per share
Earliest Exercise Date	Tranche 1: 2 September 2014 Tranche 2: 2 March 2015	Tranche 1: 2 September 2014 Tranche 2: 2 March 2015
Number of Share Options Granted	Tranche 1: 9,000,000 Tranche 2: 9,000,000	Tranche 1: 1,500,000 Tranche 2: 1,500,000

On 30 September 2014, the Company granted an aggregate of 39,000,000 share options to subscribe for ordinary shares of HK\$0.1 each of the share to a number of grantees under the Scheme. Each option shall entitle the grantee to subscribe for one share upon exercise of such option at an exercise price of HK\$1.23 per share.

The term and conditions of the options granted at 30 September 2014 are stipulated as below:

Grantees	Directors	Consultant/Employees
Start Date	30 September 2014	30 September 2014
Expiry Date	29 September 2017	29 September 2017
Exercise Price	HK\$1.23 per share	HK\$1.23 per share
Earliest Exercise Date	Tranche 1: 30 September 2014 Tranche 2: 30 March 2015	Tranche 1: 30 September 2014 Tranche 2: 30 March 2015
Number of Share Options Granted	Tranche 1: 3,000,000 Tranche 2: 3,000,000	Tranche 1: 16,500,000 Tranche 2: 16,500,000

At 30 September 2015, the number of shares in respect of which option had been granted and remained outstanding under the Scheme was 54,000,000, representing 8.5% of the shares in issue at that date.

The fair value of the share options granted at 2 September 2014 was HK\$8,336,000. Options were priced using a binomial option pricing model.

Inputs into the model

Grantees	Directors	Consultant
Option Life	3 years	3 years
Vesting Period (in year)	Tranche 1: N/A Tranche 2: 0.5	Tranche 1: N/A Tranche 2: 0.5
Risk-free Rate	0.709%	0.709%
Grant Date Share Price	HK\$1.25 per share	HK\$1.25 per share
Exercise Price	HK\$1.25 per share	HK\$1.25 per share
Expected Exercise Multiple	2.8x of the exercise price	2.2x of the exercise price
Expected Dividend Yield	0%	0%
Expected Volatility of Share Price	46.72%	46.72%

The fair value of the share options granted at 30 September 2014 was HK\$15,021,000. Options were priced using a binomial option pricing model.

Inputs into the model

Grantees	Directors	Consultant/Employees
Option Life	3 years	3 years
Vesting Period (in year)	Tranche 1: N/A Tranche 2: 0.5	Tranche 1: N/A Tranche 2: 0.5
Risk-free Rate	0.925%	0.925%
Grant Date Share Price	HK\$1.23 per share	HK\$1.23 per share
Exercise Price	HK\$1.23 per share	HK\$1.23 per share
Expected Exercise Multiple	2.8x of the exercise price	2.2x of the exercise price
Expected Dividend Yield	0%	0%
Expected Volatility of Share Price	45.72%	45.72%

Expected volatility of share prices determined with reference to annualised historical weekly volatility of comparable listed companies' shares prices.

The binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in the computing the fair value of the share options are based on the directors' best estimate. The value of an options varied with different variables of certain subjective assumptions.

The following table discloses movements of the Company's share option held by the Directors, top executives, consultants and employees during six months ended 30 September 2015.

	Number of share options						Outstanding at 30 September 2015	Weighted average closing price of shares HK\$	Exercise price per share HK\$	Date of grant	Exercisable period
	Outstanding at 1 April 2015	Granted during the period	Exercised during the period	Lapsed during the period	Reclassified during the period	Adjustment during the period					
Directors											
Wong Yee Shuen, Regina	3,000,000	-	-	-	-	-	3,000,000	-	1.25	2 Sep 2014	2 Sep 2014 to 1 Sep 2017
	3,000,000	-	-	-	-	-	3,000,000	-	1.25	2 Sep 2014	2 Mar 2015 to 1 Sep 2017
Chung Ho Chun	3,000,000	-	-	-	-	-	3,000,000	-	1.25	2 Sep 2014	2 Sep 2014 to 1 Sep 2017
	3,000,000	-	-	-	-	-	3,000,000	-	1.25	2 Sep 2014	2 Mar 2015 to 1 Sep 2017
Huang Weibo	3,000,000	-	-	-	-	-	3,000,000	-	1.25	2 Sep 2014	2 Sep 2014 to 1 Sep 2017
	3,000,000	-	-	-	-	-	3,000,000	-	1.25	2 Sep 2014	2 Mar 2015 to 1 Sep 2017
Chung Tat Fun	3,000,000	-	-	-	-	-	3,000,000	-	1.23	30 Sep 2014	30 Sep 2014 to 29 Sep 2017
	3,000,000	-	-	-	-	-	3,000,000	-	1.23	30 Sep 2014	30 Mar 2015 to 29 Sep 2017
	24,000,000	-	-	-	-	-	24,000,000				
Employees											
	15,000,000	-	-	(3,000,000)	(3,000,000)	-	9,000,000	-	1.23	30 Sep 2014	30 Sep 2014 to 29 Sep 2017
	15,000,000	-	-	(3,000,000)	(3,000,000)	-	9,000,000	-	1.23	30 Sep 2014	30 Mar 2015 to 29 Sep 2017
	30,000,000	-	-	(6,000,000)	(6,000,000)	-	18,000,000				

	Number of share options						Outstanding at 30 September 2015	Weighted average closing price of shares HK\$	Exercise price per share HK\$	Date of grant	Exercisable period
	Outstanding at 1 April 2015	Granted during the period	Exercised during the period	Lapsed during the period	Reclassified during the period	Adjustment during the period					
Consultant											
Consultant	1,500,000	-	-	-	-	-	1,500,000	-	1.25	2 Sep 2014	2 Sep 2014 to 1 Sep 2017
	1,500,000	-	-	-	-	-	1,500,000	-	1.25	2 Sep 2014	2 Mar 2015 to 1 Sep 2017
Consultant	1,500,000	-	-	-	3,000,000	-	4,500,000	-	1.23	30 Sep 2014	30 Sep 2014 to 29 Sep 2017
	1,500,000	-	-	-	3,000,000	-	4,500,000	-	1.23	30 Sep 2014	30 Mar 2015 to 29 Sep 2017
	6,000,000	-	-	-	6,000,000	-	12,000,000	-			
Total	60,000,000	-	-	(6,000,000)	-	-	54,000,000				
Weighted average exercise price	-	-	-	-	-	-	HK\$1.24				

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with all code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2015, except for the deviation of code provisions A.2.1 and A.4.1.

i. Code provision A.2.1

According to code provision A.2.1 of the CG Code, the role of chairman and chief executive should be separate.

Mr. Chung Tat Fun, the chairman of the Company, has been undertaken the duties of the chief executive officer ("CEO") since 1 August 2015. The Board considered that vesting the roles of chairman and CEO in the same person facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation. The Board also considered that there is a sufficient balance and division of responsibilities and authority.

ii. Code provision A.4.1

According to code provision A.4.1 of the CG Code, the non-executive directors should be appointed for a specific term, subject to re-election.

Ms. Lee Shiow Yue, Mr. Poon Wai Hoi, Percy and Mr. Tang Chi Ho, Francis being the independent non-executive Directors, were not appointed for a specific term but were subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company and their appointment would be reviewed when they were due for re-election.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 September 2015.

MAJOR LITIGATION AND ARBITRATION PROCEEDINGS

Guangzhou Yingrui Property Development Limited ("Yingrui"), a wholly owned subsidiary of the Company is currently involved in a civil lawsuit with Zhanjiang City No. 4 Construction Engineering Co., Ltd. (湛江市第四建筑工程有限公司) (the "Contractor"). On 1 April 2015, the Contractor commenced a lawsuit (the "Lawsuit") against Yingrui at the People's Court of the Yuexiu District, Guangzhou City with respect to certain outstanding payment of approximately RMB11.4 million (not including accrued interest) under the construction contract between Yingrui and the Contractor for the construction of the investment properties. The disputed amount of the Lawsuit includes approximately RMB1.4 million working progress fee, RMB1.0 million deposit and RMB9.0 million construction fee. On 7 April 2015, the People's Court of the Yuexiu District, Guangzhou City upon application of the Contractor, issued a seizure order on certain units within the investment property to protect the interest of the Contractor to the extent of RMB15.0 million in value. The Lawsuit is now pending further review by the People's Court of the Yuexiu District, Guangzhou City.

Regarding this Lawsuit, the Best Volume, the intermediate holding company of Yingrui, has secured an unconditional undertaking from the Ace Guide Holdings Limited (“Ace Guide”), the previous holder of Yingrui under which that the Ace Guide agrees to pay to the Best Volume or its assignee by way of damages an amount equal to any and all losses incurred by Yingrui and/or the Best Volume resulting from, arising out of or in relation to the Lawsuit, including without limitation payment under final effective judgement or settlement, and all other costs and expense in relation to the Lawsuit. The Best Volume ceased to be a subsidiary of the Company on 12 November 2015. Save as disclosed in above, the Group had no major litigation or arbitration during the six months ended 30 September 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the six months ended 30 September 2015.

CHANGE OF DIRECTOR’S INFORMATION

The change of Director’s information as required to be disclosed pursuant to Rule 13.51B of the Listing Rules are set out below:

1. Mr. Huang Weibo, the non-executive Director, was re-designated as an executive Director with effect from 24 June 2015.
2. Ms. Wong Yee Shuen Regina (“Ms. Wong”), the executive Director and CEO, was re-designated as the non-executive Director and ceased to be the CEO with effect from 1 August 2015.
3. Mr. Chung Tat Fun undertook the duties of CEO with effect from 1 August 2015.
4. Ms. Wong resigned as the authorized representative and Mr. Chung Ho Chun was appointed as the authorized representative of the Company with effect from 24 June 2015.

AUDIT COMMITTEE

The Company has an Audit Committee, which was established in accordance with Rule 3.21 of the Listing Rules with primary duties of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee of the Company comprises three independent non-executive Directors, namely Mr. Poon Wai Hoi, Percy (Chairman), Ms. Lee Shiow Yue and Mr. Tang Chi Ho, Francis.

The Audit Committee has reviewed the unaudited consolidated financial results and the interim report of the Company for the six months ended 30 September 2015 and agreed to the accounting principles and practices adopted by the Company.

BOARD OF DIRECTORS

As at the date hereof, the executive Directors are Mr. Chung Tat Fun, Mr. Chung Ho Chun, Mr. Fu Ear Ly and Mr. Huang Weibo; the non-executive Directors are Mr. So Chak Fai, Francis and Ms. Wong Yee Shuen, Regina; and the independent non-executive Directors are Mr. Poon Wai Hoi, Percy, Mr. Tang Chi Ho, Francis and Ms. Lee Shiow Yue.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to our shareholders for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions.

By Order of the Board
Sino Credit Holdings Limited
Chung Tat Fun
Chairman

Hong Kong, 26 November 2015