GOLD-FINANCE HOLDINGS LIMITED
金誠控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1462)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2017

The board (the "Board") of Directors (the "Directors") of Gold-Finance Holdings Limited (the "Company") is pleased to present the consolidated results and financial position of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2017 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
REVENUE	*4, 5*	**740,007**	591,999
Cost of services provided		**(707,352)**	(546,750)
Gross profit		**32,655**	45,249
Other income and gains	*5*	**5,207**	3,794
Administrative expenses		**(34,337)**	(21,369)
Finance costs	*6*	**–**	(798)
Other expenses, net		**–**	(2,425)
PROFIT BEFORE TAX	*7*	**3,525**	24,451
Income tax expense	*8*	**(3,156)**	(5,196)
PROFIT FOR THE YEAR		**369**	19,255
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(17)**	–
OTHER COMPREHENSIVE LOSS FOR THE YEAR		**(17)**	–
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**352**	19,255
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			(Restated)
Basic and diluted	*10*	**HK0.01 cents**	HK0.48 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**64,202**	61,485
Investment property		**8,300**	7,900
Pledged deposit for a life insurance product		**6,445**	6,292
Prepayment for acquisition of items of property, plant and equipment		**–**	1,000
Deposit paid for the acquisition of an equity interest in an associate		**50,509**	–
Total non-current assets		**129,456**	76,677
CURRENT ASSETS			
Gross amount due from customers for contract works		**34,401**	79,302
Accounts receivable	11	**136,380**	51,989
Prepayments, deposits and other receivables		**3,307**	72,085
Tax recoverable		**2,395**	2,066
Financial assets at fair value through profit or loss		**20,213**	–
Cash and bank balances		**119,109**	79,175
Total current assets		**315,805**	284,617
CURRENT LIABILITIES			
Accounts and bills payables	12	**53,697**	23,208
Accruals of costs for contract works		**113,898**	79,370
Other payables and accruals		**4,899**	4,535
Receipts in advance		**15,264**	–
Tax payable		**504**	–
Total current liabilities		**188,262**	107,113
NET CURRENT ASSETS		**127,543**	177,504
TOTAL ASSETS LESS CURRENT LIABILITIES		**256,999**	254,181
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**743**	184
Net assets		**256,256**	253,997
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	13	**4,000**	4,000
Reserves		**252,256**	249,997
Total equity		**256,256**	253,997

NOTES

1. CORPORATE AND GROUP INFORMATION

Gold-Finance Holdings Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at 2806-2807, 28/F., Champion Tower, 3 Garden Road, Central, Hong Kong.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the following principal activities:

- Provision of building services in Hong Kong
- Provision of investment and asset management services in the People's Republic of China ("PRC") – commenced during the year

In the opinion of the Directors, as at 31 March 2017, the immediate holding company of the Company is Gold-Finance (Hong Kong) Asset Management Limited, which was incorporated in Hong Kong, and the ultimate holding company of the Company is Ningbo He Ze Run Industrial Investments Limited* (寧波和澤潤實業投資有限公司), which was registered in the PRC.

Particulars of the Company's principal subsidiaries are set out below:

Company name	Place of incorporation/ registration and place of operations	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Fungs E & M Engineering Company Limited ("Fungs E & M")	Hong Kong	HK$4,800,000	–	100	Provision of building services
Hangzhou Jin Zhong Xing Investment Management Company Limited* ("Hangzhou Jin Zhong Xing") (杭州金仲興投資管理有限公司#)	PRC	RMB1,000,000	–	100	Provision of investment and asset management services in the PRC

\# Registered as a limited liability company under PRC law.

* The English name of this company represents the best effort made by management of the Company to directly translate its official Chinese name as it has not registered any official English name.

During the year, the Group acquired Hangzhou Jin Zhong Xing from Zhejiang Chengze Jinkai Investment Management Company Limited* (浙江誠澤金開投資管理有限公司) ("Zhejiang Chengze Jinkai"), which is beneficially wholly-owned by Mr. Wei Jie ("Mr. Wei"), the controlling shareholder, chairman and chief executive officer of the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

2. BASIS OF PREPARATION

This financial information has been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an investment property and financial assets at fair value through profit or loss, which have been measured at fair value. This financial information is presented in Hong Kong dollars ("HK$"), which is the Company's functional and presentation currency and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial information includes the financial statements of the Company and its subsidiaries for the year ended 31 March 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;
(b) rights arising from other contractual arrangements; and
(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKAS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial information, the nature and the impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

   (i) the materiality requirements in HKAS 1;
   (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
   (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
   (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and service and has two reportable operating segments as follows:

- Building services segment – Provision of building service in Hong Kong
- Investment and asset management services segment – provision of investment and asset management services in the PRC*

Management of the Group monitors the results of the Group's operating segments separately for the purpose of making decision about resource allocations and performance assessment.

Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

* Commenced in December 2016 upon the completion of the acquisition of 100% equity interest in Hangzhou Jin Zhong Xing.

	Building services Year ended 31 March		**Investment and asset management services Year ended 31 March**		**Total Year ended 31 March**	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:	**737,648**	591,999	**2,359**	–	**740,007**	591,999
Segment results	**15,175**	27,951	**1,819**	–	**16,994**	27,951
Interest income					**2,807**	1,434
Corporate and other unallocated expenses					**(16,276)**	(4,136)
Finance costs					**–**	(798)
Profit before tax					**3,525**	24,451

	Building services Year ended 31 March		Investment and asset management services Year ended 31 March		Total Year ended 31 March	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment disclosures						
Capital expenditure						
Operating segment	**5,638**	10,151	**674**	–	**6,312**	10,151
Unallocated					**22**	–
					6,334	10,151
Depreciation						
Operating segment	**3,581**	3,315	**28**	–	**3,609**	3,315
Unallocated					**4**	–
					3,613	3,315

Geographical information

(a) Revenue from external customers

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**737,648**	591,999
PRC	**2,359**	–
	740,007	591,999

The revenue information is based on the locations of the customers.

(b) Non-current assets

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**72,502**	70,385
Cambodia	**50,509**	–
	123,011	70,385

The non-current asset information is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from each major customer, which were all derived from the Group's building services segment, which accounted for 10% or more of the Group's revenue for the year is set out below:

	2017	2016
	HK$'000	*HK$'000*
Customer A	**207,078**	257,334
Customer B	**154,077**	N/A*
Customer C	**104,524**	86,497
Customer D##	**N/A***	88,498
Customer E#	**N/A***	94,024

* Less than 10% of the Group's revenue.

\# Included sales to a group of entities which are known to be controlled by a family member of a former substantial shareholder of the Company in prior year.

\## Included sales to a group of entities which are known to be under common control of a former substantial shareholder of the Company in prior year.

Except for the aforesaid, no revenue from a single external customer accounted for 10% or more of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the appropriate proportion of contract revenue from construction, renovation and other contracts and the invoiced value of services rendered, net of value-added tax, during the year.

An analysis of revenue, other income and gains is as follows:

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Contract revenue	**737,648**	591,999
Investment and asset management fee income	**2,359**	–
	740,007	591,999
Other income and gains		
Interest income	**2,807**	1,434
Management fee income	**1,734**	1,278
Gross rental income	**216**	26
Fair value gain on an investment property	**400**	100
Gain on disposal of items of property, plant and equipment	**–**	805
Sundry income	**50**	151
	5,207	3,794

6. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on bank loans	**–**	798

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2017	2016
	HK$'000	*HK$'000*
Contract cost	**707,315**	546,750
Cost of management services provided	**37**	–
Depreciation	**3,613**	3,315
Auditors' remuneration	**1,435**	1,320
Deficit on revaluation of a property at date of transfer to investment property*	**–**	560
Fair value gain on an investment property	**(400)**	(100)
Direct operating expenses (including repair and maintenance) arising from rental-earning investment property	**–**	2
Exchange losses, net*	**–**	1,865
Employee benefit expense (exclusive of directors' remuneration):		
Wages and salaries	**37,814**	38,382
Pension scheme contributions (defined contribution scheme)	**871**	1,104
	38,685	39,486
Loss/(gain) on disposal of items of property, plant and equipment	**2**	(805)
Minimum lease payments under operating leases in respect of office equipment	**141**	151

* Included in "Other expenses, net" in the consolidated statement of profit or loss and other comprehensive income.

8. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Tax on profits assessable has been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2017	2016
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**2,224**	5,068
Overprovision in prior years	**(130)**	–
Current – elsewhere	**503**	–
Deferred	**559**	128
Total tax charge for the year	**3,156**	5,196

9. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year (2016: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share for the year ended 31 March 2017 is based on the profit for the year attributable to equity holders of the parent of HK$369,000 (2016: profit of HK$19,255,000) and the weighted average number of ordinary shares of 4,000,000,000 (2016: 4,000,000,000 (restated)) in issue during the year, as adjusted to reflect the share sub-division during the year.

No adjustment has been made to the dilutive earnings per share amount presented for the year ended 31 March 2017 in respect of a dilution as the impact of the share options outstanding during the year had no dilutive effect on the basic earnings per share amount presented.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 March 2016 as the Group had no potentially dilutive ordinary shares in issue during the year ended 31 March 2016.

The calculations of basic and diluted earnings per share are based on:

	2017	2016
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:	**369**	19,255

	Number of shares	
	2017	2016
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**4,000,000,000**	4,000,000,000

11. ACCOUNTS RECEIVABLE

	2017	2016
	HK$'000	*HK$'000*
Due from third parties	**136,380**	47,235
Due from related parties	**–**	4,754
	136,380	51,989

Accounts receivable represented receivables for contract works. The payment terms of receivables for contract works are stipulated in the relevant contracts and the receivables are usually due for settlement within 30 days after the customers receive interim payment from their project employers.

At 31 March 2017, retentions receivable included in accounts receivable amounted to HK$35,752,000 (2016: HK$20,226,000), which are repayable on terms ranging from one to three years. The entire amount is expected to be recovered more than twelve months after the reporting period.

The credit terms offered to the related parties are similar to those offered to other major independent customers of the Group.

The ageing analysis of the accounts receivable that are not individually nor collectively considered to be impaired is as follows:

	2017	2016
	HK$'000	*HK$'000*
Past due but not impaired:		
One to three months past due	**952**	–
Four to six months past due	**–**	–
Over six months past due	**1,233**	2,990
	2,185	2,990
Neither past due nor impaired	**134,195**	48,999
	136,380	51,989

Accounts receivable that were past due but not impaired relate to a number of independent customers and a related party that have a good track record with the Group. Based on past experience, the directors are of the opinion that no allowance 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.

Accounts receivable that are neither past due nor impaired relate to a number of independent customers and related parties for whom there was no recent history of default.

12. ACCOUNTS AND BILLS PAYABLES

	2017	2016
	HK'000	*HK'000*
Accounts payable	**41,597**	23,208
Bills payable	**12,100**	–
	53,697	23,208

An ageing analysis of the accounts and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2017	2016
	HK$'000	*HK$'000*
Current to 3 months	**53,697**	23,208

At 31 March 2017, retentions payable included in accounts payable amounted to HK$25,838,000 (2016: HK$11,856,000), which are normally settled on terms ranging from two to three years.

Accounts payable are non-interest-bearing and are normally settled within three months. The payment terms are stipulated in the relevant contracts.

13. SHARE CAPITAL

Shares

	2017	2016
	HK$'000	*HK$'000*
Authorised:		
10,000,000,000 ordinary shares of HK$0.001 each (2016: 1,000,000,000 ordinary shares of HK$0.01 each)	**10,000**	10,000
Issued and fully paid:		
4,000,000,000 ordinary share of HK$0.001 each (2016: 400,000,000 ordinary shares of HK$0.01 each)	**4,000**	4,000

The movements in the Company's share capital for the years ended 31 March 2016 and 2017 were as follows:

	Notes	**Number of ordinary shares of HK$0.001 each** (2016: HK$0.01 each)	**Nominal value of ordinary shares** *HK$'000*
Authorised:			
At 1 April 2015, 31 March 2016 and 1 April 2016		1,000,000,000	10,000
Effect of share sub-division	*(a)*	9,000,000,000	–
At 31 March 2017		10,000,000,000	10,000

		Number of shares in issue	**Issued capital** *HK$'000*
Issued and fully paid:			
At 1 April 2015, 31 March 2016 and 1 April 2016		400,000,000	4,000
Effect of share sub-division	*(b)*	3,600,000,000	–
At 31 March 2017		4,000,000,000	4,000

Notes:

(a) Pursuant to an ordinary resolution passed on 20 December 2016, each ordinary share of HK$0.01 each in the authorised share capital of the Company was sub-divided into 10 ordinary shares of HK$0.001 each with effect on 21 December 2016.

(b) Pursuant to an ordinary resolution passed on 20 December 2016, each ordinary share of HK$0.01 each in the issued and unissued capital of the Company was sub-divided into 10 ordinary shares of HK$0.001 each with effect on 21 December 2016.

14. SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 22 September 2014 (the "Scheme"), the Company may grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and full-time employees of any member of the Group and any advisers, consultants, contractors, sub-contractors, suppliers, agents, customers, business partners, joint venture business partners, service providers of any member of the Group, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to subscribe for shares in the Company with the payment of HK$1.00 upon each option granted and the options granted must be accepted within 14 days from the date of offer.

The subscription price of a share shall be at least the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of the shares of the Company on the date of grant of the option. The share options granted are exercisable at any time during a period of not more than 10 years from the date of grant, subject to the provisions of early termination contained in the Scheme. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the number of shares of the Company in issue from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes must not, in aggregate, exceed 10% of the number of shares of the Company in issue on the date the shares of the Company commence trading on the Stock Exchange. The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12 months period up to the date of grant shall not exceed 1% of the shares of the Company then in issue.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

	2017		2016	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
	HK$ per share	***'000***	*HK$ per share*	*'000*
At the beginning of the year	**–**	**–**	–	–
Granted during the year	**2.00**	**5,000**	–	–
At the end of the year	**2.00**	**5,000**	–	–

No share options were exercised during the years ended 31 March 2016 and 2017.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2017 Number of options	**Exercise price***	**Exercise period**
'000	*HK$ per share*	
5,000	2.00	17 February 2017 to 16 February 2027
5,000		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

15. CONTINGENT LIABILITIES

In the ordinary course of the Group's building services business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The Directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

The Group's general banking facility in an aggregate amount of HK$40,000,000 (2016: HK$40,000,000), of which none of them had been utilised as at the end of the reporting period, was secured by:

(i) a legal charge over certain land and buildings of the Group with a carrying amount of HK$45,906,000 (2016: HK$47,411,000); and

(ii) a pledged deposit of a life insurance product with a carrying amount of HK$6,465,000 (2016: HK$6,312,000).

As at 31 March 2017, the Group had performance bonds issued by a bank in favour of certain contract customers amounting to HK$35,465,000 (2016: HK$18,562,000).

16. COMMITMENTS

At the end of the reporting period, the Group had the following significant capital commitments in respect of acquisition of items of property, plant and equipment and an investment in an investment fund:

	2017	2016
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Acquisition of items of property, plant and equipment	**–**	3,337
Investment in an investment fund	**225,840**	–
	225,840	3,337

17. EVENTS AFTER THE REPORTING PERIOD

(a) On 18 October 2016, Hangzhou Jinkai Yuanguan Investment Management Limited ("Hangzhou Jinkai Yuanguan") (as second class limited partner), Beijing Fukesen Investment Management Company Limited* (北京福克森投資管理有限公司) ("Beijing Fukesen") (as first class limited partner), an independent third party, and Shanghai Dealchord Asset Management Firm (Limited Partnership)* (上海鼎籌資產管理事務所（有限合夥）) ("Shanghai Dealchord") (as the general partner), an independent third party, entered into a limited partnership agreement (the "Limited Partnership Agreement") in relation to the formation of Zhongxing New Town Industrial Investment Private Fund* (中興新城鎮產業投資私募基金) (the "PPP Fund") to be operated under a limited partnership called Ningbo Meishan Duty-Free District Jinyouding Investment Management Center (Limited Partnership)* (寧波梅山保税港區金優鼎投資管理中心（有限合夥）) established in the PRC on 29 August 2016.

The PPP Fund would principally be investing in local governmental infrastructure projects in the form of public-private-partnerships and the fund size was set to be RMB800 million. Hangzhou Jinkai Yuanguan and Beijing Fukesen agreed to contribute RMB200 million and RMB600 million, respectively, and Hangzhou Jinkai Yuanguan was required to contribute RMB200 million in full (the "Capital Contribution") within 12 months from the date of the Limited Partnership Agreement (i.e. on or before 18 October 2017).

Subsequent to 31 March 2017, Beijing Fukesen exited as the first class limited partner and accordingly, the Limited Partnership Agreement lapsed. As a result, Hangzhou Jinkai Guanxing Investment Management Limited ("Jinkai Guanxing"), a wholly-owned subsidiary of the Group which replaced Hangzhou Jinkai Yuanguan as the second class limited partner, Zhongcai Zhishang (Beijing) Investment Management Company Limited ("Zhongcai Zhishang"), an independent third party which replaced Beijing Fukesen as the first class limited partner, and Shanghai Dealchord, as the general partner, entered into an amended limited partnership agreement with substantially the same terms as the Limited Partnership Agreement on 11 April 2017.

(b) In June 2016, the Company entered into a memorandum of understanding (the "Cambodia MOU") with Ms. Chan Kit Ying Catherine ("Ms. Chan"), an independent third party who owns 75% equity interest in Cambodian Labor Care Plc ("CLC Plc"), a private company incorporated in the Kingdom of Cambodia, for the acquisition of 20% equity interest in CLC Plc from Ms. Chan at a consideration of US$6.5 million (equivalent to approximately HK$50.5 million) (the "Cambodia Acquisition").

CLC Plc is a money lending company in Cambodia which aims at providing microfinance to factory workers. The Cambodia Acquisition was completed in April 2017.

(c) On 7 April 2017, the Company and Lion Trust (Singapore) Limited ("Lion Trust"), a company incorporated in Singapore, entered into a memorandum of understanding (the "CB MOU") pursuant to which the Company intended to issue convertible bonds to Lion Trust in an aggregate principal amount of US$26 million. The proceeds from the convertible bonds was expected be used to finance the Capital Contribution.

On 1 June 2017, the Group entered into a subscription agreement with Lion Trust pursuant to which the Company conditionally agreed to issue to Lion Trust convertible bonds (the "Convertible Bonds") in the principal amount of US$7.33 million (equivalent to approximately HK$56.81 million), which entitled the holder thereof to subscribe for 37,871,666 shares of the Company at the initial conversion price of HK$1.50 per conversion share. The issue of the Convertible Bonds was completed on 12 June 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is principally engaged in the provision of building services in Hong Kong as a subcontractor and provision of investment and asset management services in the PRC.

Provision of Building Services

The engineering works undertaken by the Group are mainly related to (i) electrical installation works; (ii) air-conditioning installation works; and (iii) fire services installation works. The Group undertakes engineering projects in both public and private sectors, which are mainly building related projects including (i) new building development; and (ii) existing building renovation. All of the Group's contract revenues were derived in Hong Kong.

As at 31 March 2017, the Group had 60 one-off and retainer projects in progress, with a total estimated outstanding contract sum and work order value of approximately HK$960 million. The Group's building services business is undertaken by an operating subsidiary, Fungs E & M, a building services engineering specialist in various building works in both public and private sectors in Hong Kong.

Provision of Investment and Asset Management Services

In the past year or so, the Group has commenced the expansion of its business portfolio into the areas of investment and asset management, with focuses on government related infrastructure projects. As referred to in the Company's announcement dated 16 October 2016, 18 October 2016, 11 January 2017 and 13 June 2017 and circular dated 18 November 2016, the Group has expanded its business portfolio by (i) acquiring Hangzhou Jin Zhong Xing, a company engaging in investment management and consultation (save for securities and futures) and with the required licence for fund management activities, (ii) investing into an investment fund and (iii) established and operated a total of eight private equity funds (the "Funds") which target to primarily invest in the infrastructure projects and PPP projects of the PRC government and state-owned enterprises through Hangzhou Jin Zhong Xing, with aggregate target fund size of the Funds expected to be approximately RMB8.6 billion.

As of 31 March 2017, the Funds had asset under management amounted to approximately RMB91.5 million. As at 7 June 2017. the total AUM of the Funds amounted to approximately RMB2.5 billion.

Property Development

Apart from expanding into investment and asset management business, the Board is also exploring other investment opportunities to further enhance the Group's long term growth. In this connection, on 9 June 2017 (after trading hours), the Company entered into a share purchase agreement with Bao Ming (Holdings) Group Co. Ltd (the "Vendor") pursuant to which the Company agreed to acquire and the Vendor agreed to sell its 100% equity interests in Bao Ming (BVI) Group Co. Ltd at a total consideration of US$1.00 (equivalent to approximately HK$7.80).

The Board believes that the business of property investment and development with particular focus on developing unique towns in the PRC represents an opportunity for the Group to achieve sustainable long term growth.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2017 was approximately HK$740.0 million representing an increase of approximately 25.0% from approximately HK$592.0 million in the previous year. The increase was mainly due to the combined effect of:

(i) Provision of investment and asset management services in the PRC commenced in December 2016 which generated revenue of approximately of HK$2.4 million; and

(ii) Higher revenue of approximately HK$154.1 million recognised for a one-off project in the private sector which had achieved significant progress during the year ended 31 March 2017 while such project was at preliminary stage and only approximately HK$8.5 million was recognised as revenue in the previous year.

Gross profit margin

During the year ended 31 March 2017, the Group recorded a gross profit of approximately HK$32.7 million. The gross profit margin decreased from approximately 7.6% for the year ended 31 March 2016 to approximately 4.4% for the year ended 31 March 2017. The decrease was mainly due to a one-off project in the public sector in Tai Lam, Hong Kong which recorded negative gross profit margin due to the incurrence of additional contract costs for the year ended 31 March 2017.

Other income and gains

Other income and gains increased by approximately 37.2% from approximately HK$3.8 million from the previous year to approximately HK$5.2 million for the year ended 31 March 2017. The increase was mainly due to the increase in interest income from HK$1.4 million to HK$2.8 million.

Administrative expenses

The Group's administrative expenses for the year ended 31 March 2017 were approximately HK$34.3 million, representing an increase of 60.7% from approximately HK$21.4 million in the previous year. The increase was mainly attributable to the combined effect of (i) recognition of a non-cash outflow share option expenses of approximately HK$3.4 million in the year; and (ii) the increase in the legal and professional fees of approximately HK$6.5 million incurred for the Group's transactions during the reporting period (the "Legal and Professional Fees").

Net profit after tax

For the year ended 31 March 2017, the Group recorded net profit of approximately HK$369,000, a decrease of approximately HK$18.9 million as compared to the net profit of approximately HK$19.3 million for the previous year. This was mainly due to the decrease in gross profit margin and the increase in administrative expenses.

Liquidity and Financial Resources

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings, cash inflows from operating activities and proceeds received from the listing of the Company's shares on the Main Board of the Stock Exchange on 16 October 2014.

Based on the principle of maximizing the returns of the shareholders and the aim to improve the utilisation of idle cash, the Group had held financial assets at fair value through profit or loss of HK$20.2 million. As at 31 March 2017, the total banking facilities of the Group amounted to approximately HK$40.0 million (31 March 2016: HK$40.0 million).

As of 31 March 2017, the Group had cash and cash equivalents of approximately HK$119.1 million, representing an increase of 50.4% from approximately HK$79.2 million as of 31 March 2016. The Group has a pledged deposit for a life insurance product with a carrying amount of approximately HK$6.4 million and HK$6.3 million as at 31 March 2017 and 31 March 2016, respectively. The increase in cash and cash equivalents during the year ended 31 March 2017 was mainly due to the combined effects of (i) net cash inflow from operating activities of approximately HK$116.5 million; (ii) deposit payment for the acquisition of equity interest in an associate of approximately HK$50.5 million; and (iii) payment for financial assets of HK$20.2 million.

Gearing ratio is calculated based on the amount of total interest-bearing bank loans divided by the total equity. Gearing ratio as at 31 March 2017 is 0% (31 March 2016: 0%) as there is no outstanding interest-bearing bank loans as at 31 March 2016 and 2017.

As at 31 March 2017, the Group had aggregate banking facilities of approximately HK$40.0 million, which were not utilised by the Group. As at 31 March 2017, the banking facilities were secured by (i) legal charge over a building of the Group with carrying amount of approximately HK$45.9 million; and (ii) pledged deposit for a life insurance product with a carrying amount of approximately HK$6.5 million.

Contingent Liabilities

Details of the Group's contingent liabilities are set out in note 15 to this announcement.

Capital Commitments

Details of the Group's capital commitments are set out in note 16 to this announcement.

Capital Expenditures

For the year ended 31 March 2017, the Group purchased property, plant and equipment of approximately HK$6.3 million (2016: approximately HK$10.2 million).

PROSPECTS

According to the Hong Kong 2017-18 Budget, the Hong Kong Government will allocate approximately HK$89 billion to capital works. With a number of projects at their construction peaks, capital works expenditure is expected to remain at relatively high levels in the next few years.

Moreover, the building services industry is steering towards designing and installing more complex and more energy efficient systems for buildings in Hong Kong. The public's increasing awareness of energy efficiency and indoor air quality and sustainability have triggered contractors in the building services industry to construct better heating, ventilation and air-conditioning systems. Therefore, the design and installation work processes for intelligent buildings are more complicated.

In view of the aforesaid increasing public expenditure on capital works and the market development, the Directors believe that there will be more opportunities for our building services business in both private and public sectors in the future.

The PRC government has vigorously promoted the implementation of local infrastructure projects in the form of PPP since 2013 through the promulgation of a number of policies such as《國務院關於創新重點領域投融資機制鼓勵社會投資的指導意見》(國發[2014]60號) (The State Council's Investment and Financing Mechanism for Key Innovation Fields (Guofa [2014] No. 60)),《中共中央國務院關於深化投融資體制改革的意見》(中發[2016]18號) (The Opinion of the Central Committee of the Communist Party and the State Council on Deepening the Reform of Capital System (Zhongfa [2016] No. 18)) and《傳統基礎設施領域實施政府和社會資本合作項目工作導則》(發改投資[2016]2231號) (The Guidelines for the Implementation of Government and Social Capital Cooperation Projects in the Field of Traditional Infrastructure (Fagai Touzi [2016] No. 2231)). Besides the promulgation of favourable policies, the PRC government has also increased the number of infrastructure projects in the recent years. In end of 2014, the Finance Department of the PRC (the "Finance Department") released the first batch of PPP demonstration projects, which contained a total of 30 projects with an aggregate investment value of approximately RMB180 billion. In September 2015, the Finance Department released the second batch of PPP demonstration projects which contained a total of 206 projects with an aggregate investment value of approximately RMB659 billion. In October 2016, the Finance Department realised the third batch of PPP demonstration projects which contained a total of 516 projects with an aggregate investment value of approximately RMB1170.8 billion. The number of projects and aggregate investment value for the third batch are significantly higher than those for the first batch and second batch. In view of the foregoing industry outlook/market trend, the Board is of the view that the future prospect of its investment and asset management business is promising.

The PRC government has promulgated a number of favourable policies in promoting the development of unique towns throughout the PRC since February 2016. In particular, according to the Opinion on Deepening the Construction of New Urbanisation* (Guofa 2016 (No. 8)) 關於深入推進新型城鎮化建設的若干意見(國法2016(8號)) issued by the State Council of the PRC in February 2016, the development of unique towns combining leisure tourism, trade, folk culture heritage, science and technology and advanced manufacturing is encouraged to be accelerated to promote agricultural modernisation and town urbanisation. Further, pursuant to the Notice on Cultivation of Unique Towns* (Jiancun 2016 (No. 147)) 關於開展特色小鎮培育工作的通知(建村2016(147號)) issued by the National Development and Reform Commission in July 2016, a target to develop approximately 1,000 unique towns throughout the PRC by 2020 was set. In addition, many provincial governments have implemented specific policies to provide developers of unique towns certain benefits including subsidies, financial support and credit support.

In view of the aforesaid favourable PRC government policies, together with the capabilities and experience in property investment and development in the PRC possessed by certain members of the Board and the parent company, the Directors believe that the expansion into the property investment and development business by the Group represents an excellent opportunity for the Group to achieve sustainable long term growth.

FOREIGN EXCHANGE RISK

Foreign exchange risk means the risk on the fluctuation of fair value or future cash flows of financial instruments which arose from changes in exchange rates.

The Group's building service business is located in Hong Kong and is transacted and settled in HK$ while the Group's investment and asset management services business is located in the PRC and is transacted and settled in RMB. Accordingly, the Directors considered that the Group's foreign exchange risk is insignificant.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 14 October 2016, Hangzhou Jinkai Yuanguan, a wholly-owned subsidiary of the Group established in the PRC, acquired the 100% equity interest in Hangzhou Jin Zhong Xing from Zhejiang Chengze Jinkai Investment Management Company Limited (浙江誠澤金開投資管理有限公司), which is beneficially wholly-owned by Mr. Wei, the controlling shareholder of the Company, at a total consideration of RMB1 million (equivalent to approximately HK$1.1 million). The acquisition was completed on 30 November 2016. Since both the Group and Hangzhou Jin Zhong Xing were controlled by Mr. Wei before and after the acquisition, the acquisition of Hangzhou Jin Zhong Xing has been accounted for as a business combination under common control using the pooling-of-interests method.

Save as disclosed above, the Group had no other material acquisitions and disposals of subsidiaries and associated companies during the year.

SIGNIFICANT INVESTMENTS

During the year ended 31 March 2017, the Company did not hold any significant investment.

STAFF AND REMUNERATION POLICY

As of 31 March 2017, the Group employed 58 employees in Hong Kong and the PRC. The Group reviewed directors and employees' remuneration from time to time and salary adjustment was normally made on an annual basis with reference to their performance and work experience and with reference to the prevailing market conditions. Staff benefits include the mandatory provident fund and training programs.

The total remuneration cost incurred by the Group for the year ended 31 March 2017 was approximately HK$38.7 million (2016: approximately HK$39.5 million).

SHARE OPTION SCHEME

The Scheme was conditionally adopted by the Company on 22 September 2014, and became effective on the Listing Date.

Details of movements of the share options granted under the Scheme for the year ended 31 March 2017 are as follows:

				Number of shares issuable under the share options				
Grantee	**Date of grant**	**Exercise price per share**	**Exercise period**	**As at 1 April 2016**	**Granted during the year** *(note 2)*	**Exercised during the year**	**Lapsed/ cancelled during the year**	**As at 31 March 2017**
Directors								
Mr. Wei Jie *(note 1)*	17/2/2017	HK$2.00	17/2/2017-16/2/2027	–	2,500,000	–	–	2,500,000
Ms. Xu Li Yun	17/2/2017	HK$2.00	17/2/2017-16/2/2027	–	2,500,000	–	–	2,500,000
			Grand total:	–	5,000,000	–	–	5,000,000

Notes:

1. Mr. Wei Jie is also a controlling shareholder of the Company.

2. The closing price of the share immediately before the date on which the options were granted was HK$1.30.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities from the date of Listing to 31 March 2017.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 2017, the Company has complied with the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information available in the public domain concerning the Company, at least 25% of the Company's issued share capital were held by the public as at the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Mode Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors.

After a specific enquiry by the Group, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year ended 31 March 2017.

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

The net proceeds from the share offer of the Company in connection with its listing on 16 October 2014 was approximately HK$92.6 million. According to the section "Future Plans and Use of Proceeds" set out in the prospectus of the Company dated 30 September 2014, the Group has used the net proceeds as follows:

	Actual net proceeds	**Used amount**	**Unused amount**
	HK$ million	*HK$ million*	*HK$ million*
Operation of prospective projects	55.5	55.5	–
Hiring of additional staff	18.5	3.7	14.8
Upgrade of computer system and software	9.3	5.8	3.5
General working capital	9.3	9.3	–
Total	92.6	74.3	18.3

The unutilised net proceeds are mainly placed in the current accounts with certain licensed financial institutions.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2017 (2016: Nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlement to attend and vote at the annual general meeting to be held on 22 September 2017, Friday, the register of members of the Company will be closed from 18 September 2017, Monday to 22 September 2017, Friday (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 15 September 2017.

REVIEW OF ACCOUNTS

The audit committee of the Company, which is chaired by an independent non-executive Director and currently has a membership comprising three independent non-executive Directors, has reviewed with the management and approved the consolidated financial statements for the year ended 31 March 2017.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2017 as set out in this announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.gold-finance-gp.com.hk). The Company's annual report for the reporting period will also be despatched to the shareholders of the Company and be made available for review on the aforesaid websites in due course.

By order of the Board
Gold-Finance Holdings Limited
Wei Jie
Chairman and Chief Executive Officer

Hong Kong, 23 June 2017

* *for identification purpose only*

As at the date of this announcement, the Board comprises Mr. Wei Jie, Ms. Xu Li Yun, and Mr. Wong Kam Ting as executive Directors; and Mr. Niu Zhongjie, Mr. Cheung Ying Kwan and Mr. Chen Zhao as independent non-executive Directors.