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**中國山東高速金融集團有限公司**  
CHINA SHANDONG HI-SPEED FINANCIAL GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 412)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

The Board of Directors (the “Board”) of China Shandong Hi-Speed Financial Group Limited (the “Company”) hereby announces the unaudited interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2018 together with the comparative figures.

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2018

	Notes	For the six months ended	
		2018	2017
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>REVENUE</b>	4	<b>281,900</b>	74,299
<b>COST OF SERVICES</b>		<b>(80,775)</b>	(34,263)
Other income		<b>12,622</b>	3,582
Other gains and losses, net	5	<b>(434,757)</b>	–
Fair value losses on financial assets measured at fair value through profit or loss, net	7	<b>(31,925)</b>	–
Fair value losses on investments at fair value through profit or loss, net	7	–	(222,861)
Gain on disposal of a subsidiary		–	14,713
Employee benefit expenses	7	<b>(64,557)</b>	(27,472)
Depreciation		<b>(2,535)</b>	(7,072)
Minimum lease payments under operating leases		<b>(12,009)</b>	(10,606)
Administrative expenses		<b>(67,416)</b>	(24,673)
Finance costs	6	<b>(142,848)</b>	(46,649)
Share of results of associates		<b>(830)</b>	–

		<b>For the six months ended</b>	
		<b>30 September</b>	
		<b>2018</b>	2017
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
LOSS BEFORE TAX	7	<b>(543,130)</b>	(281,002)
Income tax credit	8	<b>84,505</b>	40,929
<b>LOSS FOR THE PERIOD</b>		<b><u>(458,625)</u></b>	<b><u>(240,073)</u></b>
Loss for the period attributable to:			
Owners of the Company		<b>(455,161)</b>	(240,073)
Non-controlling interests		<b><u>(3,464)</u></b>	<u>–</u>
		<b><u>(458,625)</u></b>	<b><u>(240,073)</u></b>
 <b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic	9	<b><u>HK(2.11) cents</u></b>	<b><u>HK(1.25) cents</u></b>
Diluted	9	<b><u>HK(2.11) cents</u></b>	<b><u>HK(1.25) cents</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>LOSS FOR THE PERIOD</b>	<b>(458,625)</b>	<b>(240,073)</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
<i>Item that will not be classified to profit or loss:</i>		
Fair value changes on financial assets measured at fair value through other comprehensive income	<b>234,251</b>	–
<i>Item that may be reclassified subsequently to the condensed consolidated income statement:</i>		
Exchange difference arising on translation of foreign operations	<u>(371,303)</u>	<u>46,835</u>
<b>TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<u><b>(137,052)</b></u>	<u>46,835</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u><b>(595,677)</b></u>	<u><b>(193,238)</b></u>
Total comprehensive loss for the period attributable to:		
Owners of the Company	<b>(584,993)</b>	<b>(193,238)</b>
Non-controlling interests	<u><b>(10,684)</b></u>	–
	<u><b>(595,677)</b></u>	<u><b>(193,238)</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2018	31 March 2018
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		10,698	12,322
Intangible assets		1,257,210	1,463,715
Interests in associates		51,187	47,894
Available-for-sale investments	11	–	1,936,000
Financial assets measured at fair value through other comprehensive income	12	1,829,451	–
Finance lease receivables	13	1,729,602	1,950,858
Financial assets measured at fair value through profit or loss	15	1,883,343	–
Investments at fair value through profit or loss	16	–	1,340,761
Loans receivables	14	773,313	629,883
		7,534,804	7,381,433
Total non-current assets			
<b>CURRENT ASSETS</b>			
Finance lease receivables	13	910,700	1,016,581
Financial assets measured at fair value through profit or loss	15	2,879,874	–
Investments at fair value through profit or loss	16	–	2,526,583
Loans receivables	14	986,894	728,922
Trade and other receivables	17	950,658	1,193,226
Restricted cash		–	12,795
Cash and cash equivalents		619,661	1,555,133
		6,347,787	7,033,240
Total current assets			
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		271,109	252,269
Borrowings		5,521,971	5,267,746
Convertible bonds		693,326	463,480
Tax payables		53,934	69,798
		6,540,340	6,053,293
Total current liabilities			

	<b>30 September</b>	31 March
	<b>2018</b>	2018
<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<b><u>(192,553)</u></b>	<b><u>979,947</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b><u>7,342,251</u></b>	<b><u>8,361,380</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	<b>2,006,308</b>	2,005,744
Convertible bonds	–	291,885
Other payables	–	32,408
Deferred tax liabilities	<b><u>98,260</u></b>	<u>186,519</u>
Total non-current liabilities	<b><u>2,104,568</u></b>	<u>2,516,556</u>
Net assets	<b><u><u>5,237,683</u></u></b>	<b><u><u>5,844,824</u></u></b>
<b>CAPITAL AND RESERVES</b>		
Issued Capital	<i>18</i> <b>6,113</b>	6,138
Reserves	<b><u>5,173,138</u></b>	<u>5,769,570</u>
Equity attributable to owners of the Company	<b>5,179,251</b>	5,775,708
Non-controlling interests	<b><u>58,432</u></b>	<u>69,116</u>
Total equity	<b><u><u>5,237,683</u></u></b>	<b><u><u>5,844,824</u></u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2018*

## 1. CORPORATE INFORMATION

China Shandong Hi-Speed Financial Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Rooms 1405-1410, 14th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, respectively.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

These unaudited condensed consolidated financial statements for the six months ended 30 September 2018 (the “Interim Financial Statements”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Interim Financial Statements are presented in Hong Kong Dollar (“HK\$”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousands (HK\$’000) except when otherwise indicated.

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2018.

Except as described below, the Group’s accounting policies applied in preparing these Interim Financial Statements are consistent with those policies applied in preparing the annual financial statements for the year ended 31 March 2018.

**(b) Application of New and Amended HKFRSs**

The Group has adopted the following new and amended Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these Interim Financial Statements.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle except HKFRS 12 (Amendments)
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers
HKAS 40 (Amendments)	Transfers of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

The adoption of the new and amended HKFRSs has had no significant financial effect on these Interim Financial Statements and there have been no significant changes to the accounting policies applied in these Interim Financial Statements, except the following set out below.

***HKFRS 9 Financial instruments***

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

(i) *Classification of financial assets and financial liabilities*

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“FVTOCI”) and at fair value through profit or loss (“FVTPL”). These superseded HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale (“AFS”) financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial assets is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

- Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;
- FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or
- FVTPL, if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (nonrecycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI (non-recycling), are recognised in profit or loss as other income.



Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in note 2(c).

The measurement categories for all financial liabilities remain the same.

The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

(ii) *Credit losses*

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost (including cash and cash equivalents, finance lease receivables, loans receivables, trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof for fixed rate financial assets and trade and other receivables where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12 month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are losses that are expected to result from all possible default events over the expected of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognised a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

#### Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers that both quantitative and qualitative information is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Failure to make payments of principal or interest on their contractual due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- An actual or expected significant deterioration in the operating results of the debtor; and
- Existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for financial asset at fair value through profit or loss.

#### Basis of calculation of interest income on credit-impaired financial assets

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired included the following observable events:

- Significant financial difficulties of the debtor;
- A breach of contract, such as a default or delinquency interest or principal payments;
- It becomes probable that the borrower will enter into bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- The disappearance of an active market for a security because of financial difficulties of the issuer.

#### Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

#### *(iii) Transition*

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated.
- The assessments have been made on the basis of the facts and circumstances that exist as at 1 April 2018 (the date of initial application of HKFRS 9 by the Group) for the determination of the business model within which a financial asset is held.
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

(c) **Summary of effects arising from initial application of HKFRS 9**

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	Available- for-sale investments	Finance lease receivables	Investments at fair value through profit or loss	Loans receivables	Financial assets measured at FVTOCI	Financial assets measured at FVTPL	Trade and other receivables
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Closing balances at 31 March 2018							
(Audited)	1,936,000	2,967,439	3,867,344	1,358,805	-	-	1,193,226
Effect arising from initial application of HKFRS 9:							
Reclassification:							
From available-for-sale Investments	(i) (1,936,000)	-	-	-	1,595,200	340,800	-
From investments at fair value through profit or loss	(ii) -	-	(3,867,344)	-	-	3,867,344	-
Re-measurement:							
Impairment under ECL model	(iii) -	(13,342)	-	(9,236)	-	-	(12,617)
Fair value change	(i) -	-	-	-	-	40,855	-
Opening balances							
At 1 April 2018	-	2,954,097	-	1,349,569	1,595,200	4,248,999	1,180,609

(i) **Available-for-sale investments**

*From AFS club membership debenture to financial assets measured at FVTOCI*

The Group elected to present in other comprehensive income the subsequent change in fair value of its club membership debenture previously classified as AFS investments. The Group intends to hold it for long term strategic purpose. As a result, the financial asset was reclassified from AFS investments with original carrying amount of approximately HK\$5,200,000 to financial assets measured at FVTOCI and no change in its measurement on 1 April 2018. Cumulative fair value gain of approximately HK\$720,000 was reclassified from AFS investments revaluation reserve to financial assets measured at FVTOCI reserve upon remeasurement on 1 April 2018.

*From AFS unlisted equity investment to financial assets measured at FVTPL*

The unlisted equity investment with a fair value of HK\$340,800,000 was reclassified from AFS investments to financial assets measured at FVTPL. As a result, the financial asset was reclassified from AFS unlisted equity investment with original carrying amount of approximately HK\$340,800,000 to financial assets measured at FVTPL and was remeasured at fair value of approximately HK\$381,655,000. Fair value gain of approximately HK\$40,855,000 was recognised in accumulated losses upon remeasurement on 1 April 2018.

*From AFS unlisted equity investment to financial assets measured at FVTOCI*

The Group elected to present in other comprehensive income the subsequent change in fair value changes of its unlisted equity investment previously classified as available-for-sale investment. This investment is not held for trading and not expected to be sold in the foreseeable future. As a result, the financial asset was reclassified from available-for-sale investment with original carrying amount of approximately HK\$1,590,000,000 to financial assets measured at FVTOCI and no change in its measurement on 1 April 2018. Cumulative fair value gain of approximately HK\$54,424,000 was reclassified from the AFS revaluation reserve to the financial assets measured at FVTOCI reserve upon remeasurement on 1 April 2018.

**(ii) Investments at FVTPL**

*From investments at FVTPL to financial assets measured at FVTPL*

Listed equity investments, held-for-trading listed equity investments and held-for-trading investment funds with fair value of approximately HK\$1,340,761,000, HK\$721,869,000 and HK\$1,804,714,000 respectively. These investments are required to be classified as financial assets measured at FVTPL under HKFRS 9. There was no impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

**(iii) Impairment under ECL model**

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivable. To measure the ECL, trade receivable, other receivables, restricted cash and cash and cash equivalents have been grouped based on shared credit risk characteristics and their aging. The Group collectively used a provision matrix with appropriate aging groupings to assess level of provision rate.

Loss allowances for other financial assets at amortised cost mainly comprise finance lease receivables and loans receivables which are measured on lifetime ECL basis as those credit risk had increased significantly since initial recognition.

As at 1 April 2018, the additional credit loss allowance of approximately HK\$35,195,000 has been recognised against accumulated losses for the Group. The additional loss allowance is charged against the respective assets.

All loss allowances for financial assets including finance lease receivables, trade and other receivables, restricted cash and cash and cash equivalents as at 31 March 2018 reconciled to the opening loss allowance as at 1 April 2018 are as follows:

	<b>Finance lease receivables</b>	<b>Loans receivables</b>	<b>Trade and other receivables</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 31 March 2018 – HKAS 39	–	45,000	–
Amounts remeasured through opening accumulated losses	<u>13,342</u>	<u>9,236</u>	<u>12,617</u>
At 1 April 2018	<u><u>13,342</u></u>	<u><u>54,236</u></u>	<u><u>12,617</u></u>

(d) **Reconciliation of statement of financial position balances from HKAS 39 to HKFRS 9**

The Group performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics. The following table reconciles the carrying amounts of financial assets and financial liabilities upon transition to HKFRS 9 on 1 April 2018:

	31 March 2018 <i>HK\$'000</i> (Audited)	HKFRS 9 <i>HK\$'000</i>	1 April 2018 <i>HK\$'000</i> (Restated)
<b>NON-CURRENT ASSETS</b>			
Available-for-sale investments	1,936,000	(1,936,000)	–
Financial assets measured at FVTOCI	–	1,595,200	<b>1,595,200</b>
Finance lease receivables	1,950,858	(2,704)	<b>1,948,154</b>
Investments at FVTPL	1,340,761	(1,340,761)	–
Financial assets measured at FVTPL	–	1,722,416	<b>1,722,416</b>
Loans receivables	629,883	–	<b>629,883</b>
<b>CURRENT ASSETS</b>			
Finance lease receivables	1,016,581	(10,638)	<b>1,005,943</b>
Investments at FVTPL	2,526,583	(2,526,583)	–
Financial assets measured at FVTPL	–	2,526,583	<b>2,526,583</b>
Loans receivables	728,922	(9,236)	<b>719,686</b>
Trade and other receivables	1,193,226	(12,617)	<b>1,180,609</b>

(e) **Judgements and estimates**

In preparing these Interim Financial Statements, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty was the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2018.



### 3. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions reviewed by the Group's chief operating decision maker ("CODM"). For the six months ended 30 September 2018, the Group had four reportable operating segments. Details are as follows:

- (i) the investments in securities segment engages primarily in the purchase and sale of securities and derivatives and the holding of equity and debt investments primarily for interest income, dividend income and capital appreciation;
- (ii) the money lending segment engages primarily in money lending operations and advisory services;
- (iii) the financial leasing segment engages primarily in the direct financial leasing, advisory services and asset trading platform; and
- (iv) the financial technology segment engages primarily in online investment and technology-enabled lending services and online new media services.

CODM monitors the results of the Group's operating segments separately as described above, for the purpose of making decisions about resource allocation and assessment of the Group's performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that unallocated income, unallocated finance costs, unallocated expenses and share of results of associates are excluded from such measurement.

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

- all assets are allocated to reportable segments other than unallocated corporate assets such as property, plant and equipment; and
- all liabilities are allocated to reportable segments other than current and deferred tax liabilities, and unallocated corporate liabilities such as other payables and accruals.

	Investments in securities		Money lending		Financial leasing		Financial technology		Unallocated		Condensed	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	30 September		30 September		30 September		30 September		30 September		30 September	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Segment revenue:												
Revenue from external customers	56,611	3,000	67,284	19,167	92,776	51,773	65,229	-	-	359	281,900	74,299
Segment results	(55,710)	(185,012)	59,442	17,642	(356,538)	(22,527)	(1,668)	-	-	-	(354,474)	(189,897)
Reconciliations:												
Unallocated finance costs											(101,730)	(45,132)
Unallocated expenses*											(86,096)	(45,973)
Share of results of associates											(830)	-
Loss before tax											(543,130)	(281,002)
Other segment information:												
Finance costs	(21,284)	-	(6,068)	(1,517)	(13,766)	-	-	-	(101,730)	(45,132)	(142,848)	(46,649)
Depreciation	-	-	-	-	(798)	(2,244)	(567)	-	(1,170)	(4,828)	(2,535)	(7,072)
Gain on disposal of a subsidiary	-	-	-	-	-	-	-	-	-	14,713	-	14,713
Fair value losses on financial assets measured at FVTPL	(31,925)	-	-	-	-	-	-	-	-	-	(31,925)	-
Fair value losses on investments at fair value through profit or loss, net	-	(183,738)	-	-	-	(39,123)	-	-	-	-	-	(222,861)
Impairment loss, net of reversal recognised in respect of												
- Goodwill	-	-	-	-	(146,586)	-	-	-	-	-	(146,586)	-
- Finance lease receivables	-	-	-	-	(213,083)	-	-	-	-	-	(213,083)	-
- Loans receivables	-	-	2,416	-	-	-	(5,134)	-	-	-	(2,718)	-
- Trade and other receivables	(62,932)	-	-	-	(9,439)	-	1	-	-	-	(72,370)	-
Capital expenditure**	-	-	-	-	100	-	286	-	920	6,862	1,306	6,862

*Note:*

\* Unallocated expenses mainly included employee benefit expenses of approximately HK\$38,759,000 (six months ended 30 September 2017: HK\$26,241,000), minimum lease payment under operating lease of approximately HK\$4,558,000 (six months ended 30 September 2017: HK\$10,606,000), exchange loss of approximately HK\$9,421,000 (six months ended 30 September 2017: gains of approximately HK\$563,000), legal and professional fee of approximately HK\$13,477,000 (six months ended 30 September 2017: HK\$3,219,000) and depreciation of approximately HK\$1,170,000 (six months ended 30 September 2017: HK\$4,828,000).

\*\* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

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

	<b>30 September</b>	31 March
	<b>2018</b>	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Segment assets:</b>		
Investment in securities	7,482,489	7,214,929
Money lending	1,233,129	1,371,728
Financial leasing	4,179,253	5,402,303
Financial technology	980,613	365,661
	<u>13,875,484</u>	<u>14,354,621</u>
Unallocated assets	7,107	60,052
	<u>13,882,591</u>	<u>14,414,673</u>
Total assets	<u><b>13,882,591</b></u>	<u>14,414,673</u>
<b>Segment liabilities:</b>		
Investment in securities	4,551,158	3,756,007
Money lending	224,755	527,457
Financial leasing	2,736,362	3,086,090
Financial technology	58,333	123,668
	<u>7,570,608</u>	<u>7,493,222</u>
Unallocated liabilities	1,074,300	1,076,627
	<u>8,644,908</u>	<u>8,569,849</u>
Total liabilities	<u><b>8,644,908</b></u>	<u>8,569,849</u>

## Information about major customers

Revenue from customers individually contributing over 10% of the Group's revenue is as follows:

	For the six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	N/A	19,320
Customer B	N/A	13,865

Customer A and Customer B did not contribute over 10% of the total revenue during the six months ended 30 September 2018.

## Geographical information

The Group's operations are mainly located in Hong Kong and other parts of the PRC. The geographical information about the Group's revenue based on the locations of the customers and non-current assets based on the locations of the assets is set out below:

	Revenue from		Non-current assets <i>(note)</i>	
	external customers			
	For the six months ended			
	30 September		30 September	
	2018	2017	2018	31 March
	HK\$'000	HK\$'000	HK\$'000	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	123,895	22,527	7,107	7,388
Others parts of the PRC	158,005	51,772	1,260,801	1,468,649
	<b>281,900</b>	74,299	<b>1,267,908</b>	1,476,037

*Note:* Non-current assets exclude interests in associates, financial assets measured at fair value through other comprehensive income, finance lease receivables, financial assets measured at fair value through profit or loss and loans receivables (31 March 2018: Non-current assets exclude interests in associates, available-for-sale investments, finance lease receivables, investments at fair value through profit or loss and loans receivables).

#### 4. REVENUE

Revenue, which is also the Group's turnover, represents consultancy services income; financial leasing income; interest income from money lending operations; handling fee income; distribution and dividend from investments at fair value through profit or loss; interest income from financial assets measured at fair value through profit or loss; and online investment and technology-enabled lending services and online new media services income during the period.

	For the six months ended	
	30 September	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
An analysis of revenue is as follows:		
Consultancy services income ( <i>Note i</i> )	34,804	6,256
Financial leasing income	68,104	44,364
Interest income from money lending operations	82,568	5,455
Handling fee income ( <i>Note ii</i> )	52,336	15,224
Distribution from investments at fair value through profit or loss	27,499	–
Dividend income from investments at fair value through profit or loss	–	3,000
Interest income from financial assets measured at fair value through profit or loss	12,912	–
Online investment and technology-enabled lending services and online new media services income	3,677	–
	<u>281,900</u>	<u>74,299</u>

#### Notes:

- (i) Consultancy services income represents income derived from advisory and consultancy services provided for customers, including but not limited to:
- (a) provision of advisory services on financial leasing and trading platform structure;
  - (b) provision of regulatory analysis;
  - (c) provision of advisory services on transaction arrangement; and
  - (d) financial and taxation analysis.

- (ii) Included in handling fee income was an amount of approximately HK\$12,948,000 (six months ended 30 September 2017: HK\$1,153,000) from asset trading platform in financial leasing segment, approximately HK\$5,000,000 (six months ended 30 September 2017: HK\$13,712,000) from money lending segment, approximately HK\$18,188,000 (six months ended 30 September 2017: nil) from financial technology segment and approximately HK\$16,200,000 (six months ended 30 September 2017: HK\$359,000) from securities brokerage business which is included in the unallocated segment for the six months ended 30 September 2018.

## 5. OTHER GAINS OR LOSSES, NET

<b>For the six months ended</b>	
<b>30 September</b>	
<b>2018</b>	<b>2017</b>
<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(Unaudited)</b>	<b>(Unaudited)</b>

Included in other gains and losses, net are

Impairment loss, net of reversal recognised in respect of:

– Goodwill	<b>146,586</b>	–
– Finance lease receivables	<b>213,083</b>	–
– Loans receivables	<b>2,718</b>	–
– Trade and other receivables	<b>72,370</b>	–
	<hr/> <b>434,757</b> <hr/>	<hr/> – <hr/>

## 6. FINANCE COSTS

<b>For the six months ended</b>	
<b>30 September</b>	
<b>2018</b>	<b>2017</b>
<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(Unaudited)</b>	<b>(Unaudited)</b>

An analysis of finance costs is as follows:

Interest on bank borrowings wholly repayable within five years	<b>19,833</b>	2,245
Interest on margin and other loans	<b>21,286</b>	1
Amortised interest on bonds	<b>57,720</b>	577
Amortised interest on convertible bonds	<b>44,009</b>	43,826
	<hr/> <b>142,848</b> <hr/>	<hr/> 46,649 <hr/>

## 7. LOSS BEFORE TAX

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

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Employee benefit expenses:		
Directors' remuneration:		
– Fees	–	–
– Salaries and allowances	<b>6,756</b>	4,388
– Retirement benefit scheme contributions (defined contribution scheme)	<b>44</b>	54
	<hr/>	<hr/>
Sub-total	<b>6,800</b>	4,442
Other staff's costs:		
– Salaries and allowances	<b>54,029</b>	22,386
– Retirement benefit scheme contributions (defined contribution scheme)	<b>3,728</b>	644
	<hr/>	<hr/>
Sub-total	<b>57,757</b>	23,030
	<hr/>	<hr/>
Total employee benefit expenses	<b>64,557</b>	27,472
	<hr/>	<hr/>
Sales proceeds from disposal of securities and bonds	–	(724,000)
Carrying amount of securities and bonds	–	739,027
	<hr/>	<hr/>
Realised losses from investments at fair value through profit or loss		
– securities and bonds	–	15,027
Unrealised losses from investments at fair value through profit or loss – securities and bonds	–	207,834
	<hr/>	<hr/>
Fair value losses on investment at fair value through profit or loss, net	–	222,861
	<hr/>	<hr/>

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Sales proceeds from disposal of securities and bonds	<b>(470,105)</b>	–
Carrying amount of securities and bonds	<b>477,640</b>	–
Realised losses from financial assets measured at fair value through profit or loss <i>(note 15(b))</i>	<b>7,535</b>	–
Unrealised losses from financial assets measured at fair value through profit or loss <i>(note 15(a))</i>	<b>24,390</b>	–
Fair value losses on financial assets measured at fair value through profit or loss, net	<b>31,925</b>	–
Foreign exchange loss, net	<b>9,421</b>	563
Amortisation	<b>2,545</b>	–
Depreciation	<b>2,535</b>	7,072

## **8. INCOME TAX CREDIT**

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Current tax		
– PRC Enterprise Income Tax	<b>3,754</b>	2,702
Deferred tax credit	<b>(88,259)</b>	(43,631)
Total income tax credit recognised in the condensed consolidated income statement	<b>(84,505)</b>	(40,929)



No provision for current Hong Kong Profits Tax had been made for the six months ended 30 September 2018 and 2017 as the Group did not generate any assessable profits arising in Hong Kong during the period.

PRC Enterprise Income Tax was calculated at 25% of the estimated assessable profit for the six months ended 30 September 2018 and 2017.

## 9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u><u>(455,161)</u></u>	<u><u>(240,073)</u></u>
<i>Number of share ('000)</i>		
Weighted average number of ordinary shares for the purposes of diluted loss per share	<u><u>21,528,611</u></u>	<u><u>19,188,648</u></u>
Basic loss per share ( <i>in HK cents</i> )	<u><u>(2.11)</u></u>	<u><u>(1.25)</u></u>
Diluted loss per share ( <i>in HK cents</i> )	<u><u>(2.11)</u></u>	<u><u>(1.25)</u></u>

## 10. DIVIDEND

The Board of the Company does not recommend the payment of any interim dividend in respect of the current period (six months ended 30 September 2017: Nil).

## 11. AVAILABLE-FOR-SALE INVESTMENTS

**31 March  
2018**  
**HK\$'000**  
(Audited)

### Non-current assets

Club membership debenture, at fair value	5,200
Unlisted equity investment, at cost less impairment	
– In elsewhere	340,800
– In the PRC	–
Unlisted equity investment, at fair value at subsequent reporting date	
– In elsewhere	<u>1,590,000</u>
	<u><u>1,936,000</u></u>

## 12. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

**30 September  
2018**  
**HK\$'000**  
(Unaudited)

### Non-current asset

Club membership debenture ( <i>note i</i> )	5,200
Unlisted equity investment ( <i>note ii</i> )	
– In elsewhere	<u>1,824,251</u>
	<u><u>1,829,451</u></u>

### Notes:

- (i) Club membership debenture is stated at fair value at the end of the reporting period.

During the six months ended 30 September 2018, no fair value gain on club membership debenture was recognised in other comprehensive income (year ended 31 March 2018: fair value gain of AFS investments of approximately HK\$600,000).

- (ii) During the year ended 31 March 2018, the Group acquired 40% equity interest in Shandong Hi-Speed (BVI) International Holdings Limited (“Shandong (BVI)”) by way of issuance of 5,000,000,000 consideration shares of the Company with the fair value at initial recognition determined to be approximately HK\$1,530,000,000 plus respective transaction cost of approximately HK\$5,576,000. The directors of the Company consider that the Group has no significant influence over Shandong (BVI) and therefore such equity investment was classified as an investment measured at fair value through other comprehensive income.

The fair value of Shandong (BVI) as at 31 March 2018 was approximately HK\$1,590,000,000, which is determined with reference to the valuation report issued by a firm of independent valuers using discounted cash flow method. The fair value gain of approximately HK\$234,251,000 on the investment in Shandong (BVI) was recognised in other comprehensive income for the six months ended 30 September 2018. This is classified as Level 3 fair value measurement under HKFRS 13.

### 13. FINANCE LEASE RECEIVABLES

	<b>30 September 2018 HK\$'000 (Unaudited)</b>	31 March 2018 HK\$'000 (Audited)
Present value of minimum lease payments receivables	<b>2,640,302</b>	2,967,439
<i>Less:</i> Current portion included under current assets	<u><b>(910,700)</b></u>	<u>(1,016,581)</u>
Amounts due after one year included under non-current assets	<u><b>1,729,602</b></u>	<u>1,950,858</u>

As at 30 September 2018 and 31 March 2018, none of the finance lease receivables were pledged to secure the bank borrowings obtained by the Group.

Reconciliation between the minimum lease payments receivables and the present value of minimum lease payments receivables under such leases is set out below:

	<b>30 September 2018 <i>HK\$'000</i> (Unaudited)</b>	31 March 2018 <i>HK\$'000</i> (Audited)
Minimum lease payments receivables	<b>2,935,102</b>	3,286,573
<i>Less:</i> Unearned finance income related to minimum lease payments receivables	<u><b>(294,800)</b></u>	<u>(319,134)</u>
Present value of minimum lease payments receivables	<u><b>2,640,302</b></u>	<u>2,967,439</u>

The table below analyses the Group's minimum lease payments receivable under finance leases by relevant maturity groupings:

	<b>30 September 2018 <i>HK\$'000</i> (Unaudited)</b>	31 March 2018 <i>HK\$'000</i> (Audited)
– Within one year	<b>1,062,217</b>	1,161,799
– In the second year	<b>852,441</b>	830,104
– In the third to fifth years	<u><b>1,020,444</b></u>	<u>1,294,670</u>
	<u><b>2,935,102</b></u>	<u>3,286,573</u>

The table below analyses the Group's present value of minimum lease payments receivable under finance leases by relevant maturity groupings:

	<b>30 September 2018 <i>HK\$'000</i> (Unaudited)</b>	31 March 2018 <i>HK\$'000</i> (Audited)
– Within one year	<b>910,700</b>	1,016,581
– In the second year	<b>767,790</b>	739,486
– In the third to fifth years	<u><b>961,812</b></u>	<u>1,211,372</u>
	<u><b>2,640,302</b></u>	<u>2,967,439</u>

Movement of allowance for impairment losses:

	<b>30 September 2018 HK\$'000 (Unaudited)</b>
As at 31 March 2018	–
Effect arising from adoption of HKFRS 9	<u>13,342</u>
As at 1 April 2018	13,342
Addition during the period	215,516
Reversal during the period	(2,110)
Exchange realignment	<u>(323)</u>
As at 30 September 2018	<u><u>226,425</u></u>

Stage analysis on allowance for impairment losses:

	<b>12m ECL HK\$'000</b>	<b>Lifetime ECL Not credit- impaired HK\$'000</b>	<b>Lifetime ECL credit- impaired HK\$'000</b>	<b>Total HK\$'000</b>
As at 30 September 2018	<u>8,777</u>	<u>217,648</u>	<u>–</u>	<u><u>226,425</u></u>

### **Concentration of risks of financial assets with credit exposure**

During the six months ended 30 September 2018 and the year ended 31 March 2018, all the lessees of the Group are located in the PRC. If any of them experiences financial difficulties, the recovery of the Group's finance lease receivables through regular lease payments might be adversely affected and the Group may have to resort to recovery through repossession of the leased assets.

As at 30 September 2018, the Group's finance lease receivables were secured by collaterals, being plant and machinery, and deposits of approximately HK\$47,742,000 (31 March 2018: HK\$52,339,000). When a finance lease receivable is identified as impaired, the corresponding fair value of collateral of that receivable is updated by reference to market value such as recent transaction price of the assets.

The Group is not permitted to sell, or repledge the collaterals of the finance lease receivables without consent from the lessees in the absence of default by the lessees. No assets have been repledged to secure borrowings of the Group as at 30 September 2018 (31 March 2018: nil).

To manage this risk, the Group assesses the business performance of the lessees on a regular basis. In view of the fact that the lessees are operating smoothly and the sound collection history of the receivable due from them, management believes that the credit risk inherent in the Group's outstanding finance lease receivable balances from lessees is low.

As at 30 September 2018, the Group's finance lease receivables of approximately HK\$569,762,000 and HK\$683,714,000 were due from China Tieniu Group Co., Ltd.\* (鐵牛集團有限公司) and Hangzhou ESSEN Auto Component Co., Ltd.\* (杭州易辰孚特汽車零部件有限公司) respectively, which are controlled by the same controlling party. These related finance lease arrangements (on an aggregated basis) constituted a major transaction of the Company and were therefore subject to reporting, announcement and shareholders' approval under Chapter 14 of the Listing Rules. A special general meeting had been held on 10 August 2018 and the resolution approving and ratifying the above finance lease arrangements was duly passed by the shareholders of the Company.

## 14. LOANS RECEIVABLES

	<b>30 September 2018</b>	31 March 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Loans receivables	<b>1,816,896</b>	1,403,805
<i>Less: allowance for impairment loss</i>	<u>(56,689)</u>	<u>(45,000)</u>
	<b>1,760,207</b>	1,358,805
<i>Less: amount classified as current assets</i>	<u>(986,894)</u>	<u>(728,922)</u>
Non-current portion	<u><b>773,313</b></u>	<u>629,883</u>

Loans receivables represent receivables arising from the money lending business of the Group, and bear interest at rates ranging from 4% to 20% per annum (31 March 2018: from 4% to 20% per annum). The grants of these loans were approved and monitored by the Group's management.

	<b>30 September 2018</b>	31 March 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Type of borrowers that loans receivables are arising from:		
Individual customers	<b>247,607</b>	245,279
Corporate customers	<u><b>1,569,289</b></u>	<u>1,158,526</u>
	<b>1,816,896</b>	1,403,805
<i>Less: allowance for impairment loss</i>		
Individual customers	<b>(2,434)</b>	–
Corporate customers	<u><b>(54,255)</b></u>	<u>(45,000)</u>
	<u><b>(56,689)</b></u>	<u>(45,000)</u>
	<u><b>1,760,207</b></u>	<u>1,358,805</u>

An ageing analysis of loans receivables (net of impairment), determined based on the time to maturity of the loans receivables, as at the end of the reporting period is as follows:

	<b>30 September</b>	31 March
	<b>2018</b>	2018
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Loans receivables:		
Within 90 days	<b>249,355</b>	28,922
91 days to 180 days	<b>199,400</b>	500,000
181 days to 1 year	<b>538,139</b>	200,000
1 year to 2 years	<b>578,879</b>	434,883
More than 2 years	<b>194,434</b>	195,000
	<u><b>1,760,207</b></u>	<u>1,358,805</u>

Included in the Group's loans receivables is a borrower with an amount of HK\$1,129,000 (31 March 2018: HK\$3,000,000) which was past due as at the end of the reporting period for which the Group has not provided for impairment loss.

An aging analysis of the loans receivables that are not considered to be impaired as at the end of the reporting period, based on the payment due date, is as follows:

	<b>30 September</b>	31 March
	<b>2018</b>	2018
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Neither past due nor impaired	<b>1,759,078</b>	1,355,805
Six months past due but not impaired	<b>1,129</b>	3,000
	<u><b>1,760,207</b></u>	<u>1,358,805</u>

For the past due but not impaired receivable, the Group has assessed the credit worthiness, past payment history, pledge of collateral and substantial settlement after the end of the reporting period, and considers that such amount is still recoverable and no impairment provision is required.



Movement of allowance for impairment losses:

	<b>30 September 2018 HK\$'000 (Unaudited)</b>
As at 31 March 2018	<b>45,000</b>
Effect arising from adoption of HKFRS 9	<u><b>9,236</b></u>
As at 1 April 2018	<b>54,236</b>
Addition during the period	<b>5,910</b>
Reversal during the period	<b>(3,192)</b>
Exchange realignment	<u><b>(265)</b></u>
As at 30 September 2018	<u><u><b>56,689</b></u></u>

Stage analysis on allowance for impairment losses:

	<b>12m ECL HK\$'000</b>	<b>Lifetime ECL Not credit- impaired HK\$'000</b>	<b>Lifetime ECL credit- impaired HK\$'000</b>	<b>Total HK\$'000</b>
As at 30 September 2018	<u><u>9,995</u></u>	<u><u>46,694</u></u>	<u><u>–</u></u>	<u><u>56,689</u></u>

## 15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2018 <i>HK\$'000</i> (Unaudited)	31 March 2018 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>		
Listed equity investments		
In Hong Kong ( <i>note (i) and (v)</i> )	<u>1,324,367</u>	–
Unlisted equity investments		
In elsewhere ( <i>note (iii) and (v)</i> )	392,645	–
In the PRC ( <i>note (ii), (iv) and (v)</i> )	<u>56,188</u>	–
Sub-total	<u>448,833</u>	–
<b>Other investments</b>		
In the PRC ( <i>note (ii), (v) and (vi)</i> )	<u>110,143</u>	–
Total	<u><u>1,883,343</u></u>	<u>–</u>
<b>Current assets</b>		
Held-for-trading listed equity investments		
In Hong Kong ( <i>note (i) and (v)</i> )	<u>695,976</u>	–
Held-for-trading investment funds ( <i>note (v)</i> )		
In Hong Kong	538,263	–
In elsewhere	<u>723,427</u>	–
Sub-total	<u>1,261,690</u>	–
Held-for-trading bonds ( <i>note (v)</i> )		
In elsewhere	<u>848,788</u>	–
Held-for-trading other investments ( <i>note (v)</i> )		
In elsewhere	<u>73,420</u>	–
Total	<u><u>2,879,874</u></u>	<u>–</u>

*Notes:*

- (i) As at 30 September 2018, the listed equity investments were classified as financial assets measured at fair value through profit or loss (31 March 2018: classified as investments at fair value through profit or loss). The fair values of the listed equity investments were determined by quoted prices in active markets.
- (ii) As at 30 September 2018, the Group holds 29,951,000 (31 March 2018: 29,951,000) shares of China Yunnan Highway Construction Group Co., Ltd. (“Yunnan Highway”), representing 8.32% (31 March 2018: 8.32%) of its issued share capital. Yunnan Highway was delisted in the National Equities Exchange and Quotations (the “NEEQ”) in April 2018. As at 30 September 2018, the fair value of Yunnan Highway was approximately HK\$56,188,000 and an unrealised loss of approximately HK\$178,674,000 was recognised in the condensed consolidated income statement during the period. The fair value was determined with reference to the valuation report issued by a firm of independent qualified professional valuer using the income approach. This is classified as Level 3 fair value measurement under HKFRS 13.
- (iii) The balance represented an unlisted equity investment in a private entity principally engaged in integrated financial services, securities brokerage services, money lending, securities and other direct investments.
- (iv) The Group, through the acquisition of China Innovative Finance Zhonghong, acquired an unlisted equity investment in a private entity engaged in software development and electronic hardware trading with the initial carrying amount approximately Renminbi (“RMB”) 684,000 (equivalent to approximately HK\$794,000).

During the year ended 31 March 2017, the Group recognised a full impairment loss on the carrying amount of RMB684,000 (equivalent to approximately HK\$771,000) in profit or loss as the directors of the Company considered that as the private entity was loss-making and the recoverable amount of the unlisted equity investment was less than its carrying amount.

(v) (a) **Unrealised losses from financial assets measured at fair value through profit or loss:**

Nature of investments	Number of Shares/units held		Percentage of shareholding		Fair value		Percentage to the Group's net assets	
	as at	as at	as at	as at	as at	as at	as at	as at
	30 September 2018	31 March 2018	30 September 2018	31 March 2018	30 September 2018	31 March 2018	30 September 2018	31 March 2018
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
			%	%	HK\$'000	HK\$'000	%	%
<b>Non-current asset</b>								
Listed equity investment in Hong Kong								
Jiayuan International Group Limited (stock code: 2768)	98,833,336	-	3.99	-	1,324,367	-	25.29	-
Unlisted equity investments in Hong Kong								
Satinu Resources Group Limited	48,000,000	-	6.95	-	392,645	-	7.50	-
Unlisted equity investment in the PRC								
Yunnan Highway	29,851,000	-	8.32	-	56,188	-	1.07	-
					448,833	-		
Other investments in the PRC								
	N/A	-	N/A	-	110,143	-	2.10	-
					1,883,343	-		
<b>Current assets</b>								
Held-for-trading listed equity investments in Hong Kong								
China Smarter Energy Group Holding Limited (stock code: 1004)								
	677,360,000	-	7.23	-	582,853	-	11.13	-
Code Agriculture (Holdings) Limited (stock code: 8153)	60,000,000	-	2.39	-	5,280	-	0.10	-
Far East Holdings International Limited (stock code: 36)	11,814,000	-	1.08	-	5,789	-	0.11	-
Hao Tian Development Group Limited (stock code: 474)	385,000,000	-	7.86	-	102,025	-	1.95	-
Huatai Securities Company Limited (stock code: 6886)	2,600	-	0.00	-	29	-	0.00	-
					695,976	-		
Held-for-trading investment funds in Hong Kong								
Sinolink Securities (HK) Co. Ltd.	N/A	-	N/A	-	538,263	-	10.28	-
Held-for-trading investment funds in elsewhere								
Haitong International Investment Fund	200,000	-	N/A	-	144,768	-	2.76	-
Altair Asia Investment Limited	5,292,982	-	N/A	-	123,542	-	2.36	-
China Times Investments Limited	668,210	-	N/A	-	455,117	-	8.69	-
					1,261,690	-		
Held-for-trading investment bonds in elsewhere								
Jiarui Investment (Hong Kong) Company Limited	N/A	-	N/A	-	234,212	-	4.47	-
Future Land Development Holdings Limited	9,930,588	-	N/A	-	230,886	-	4.41	-
Zhenro Properties Group Limited	10,000,000	-	N/A	-	152,298	-	2.91	-
Tus-Holdings Company Limited	30,000,000	-	N/A	-	76,392	-	1.46	-
Suning Appliance Group Limited	10,000,000	-	N/A	-	155,000	-	2.96	-
					848,788	-		
Other investments in the PRC								
	N/A	-	N/A	-	73,420	-	1.40	-
					2,879,874	-		

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	(Unaudited)
Unrealised gains of investments in Hong Kong for the period, net	<b>139,892</b>	–
Unrealised losses of investments outside Hong Kong (including PRC) for the period, net	<u><b>(164,282)</b></u>	<u>–</u>
Unrealised losses from financial assets measured at fair value through profit or loss ( <i>note 7</i> )	<u><b>(24,390)</b></u>	<u>–</u>

**(b) Realised losses from financial assets measured at fair value through profit or loss:**

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	(Unaudited)
Realised losses of investments in Hong Kong for the period	<u><b>(7,535)</b></u>	<u>–</u>
Realised losses from financial assets measured at fair value through profit or loss ( <i>note 7</i> )	<u><b>(7,535)</b></u>	<u>–</u>

## 16. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>31 March 2018 HK\$'000 (Audited)</b>
<b>Non-current assets</b>	
Listed equity investments	
In the PRC	234,862
In Hong Kong	<u>1,105,899</u>
Total	<u><u>1,340,761</u></u>
<b>Current assets</b>	
Held-for-trading listed equity investments	
In Hong Kong	<u>721,869</u>
Held-for-trading investment funds	
In Hong Kong	546,828
In elsewhere	<u>1,257,886</u>
Sub-total	<u>1,804,714</u>
Total	<u><u>2,526,583</u></u>

Upon adoption of HKFRS 9 on 1 April 2018, the Group has designated the investments at fair value through profit or loss as financial assets measured at fair value through profit or loss. Details are set out in note 2(c). As at 31 March 2018, the above investments were at fair value.

## 17. TRADE AND OTHER RECEIVABLES

	<b>30 September 2018</b>	31 March 2018
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Trade receivables	17,485	14,559
Prepayments	17,169	5,838
Deposits	59,029	60,528
Advance to an investee company	–	15,899
Interest receivables	29,227	26,006
Other receivables ( <i>note</i> )	<b>827,748</b>	1,070,396
	<b>950,658</b>	1,193,226

At the end of the reporting period, the aging analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows:

	<b>30 September 2018</b>	31 March 2018
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Within 90 days	6,130	13,304
91 days to 180 days	2,265	118
181 days to 1 year	8,976	1,038
Over 1 year	114	99
	<b>17,485</b>	14,559

*Note:*

As at 30 September 2018, other receivables mainly represent:

- (a) proceed with an aggregate amount of approximately HK\$560,880,000 (31 March 2018: HK\$590,400,000) arising from the disposal of certain investments at fair value through profit or loss.
- (b) an amount due from China Hover Dragon Group Limited (“China Hover Dragon”) of approximately HK\$140,299,000 (31 March 2018: HK\$153,811,000) of which China Hover Dragon has committed to pay on behalf of Hainan Xinli Industry Limited of approximately HK\$10,914,000 (31 March 2018: HK\$14,957,000), had been past due as of 31 March 2018. A stop notice had been served by the Company pursuant to the Rules of High Court to stop the transfer of 1,951,714,383 ordinary shares of the Company held by the shareholders of China Hover Dragon (“Subject Shares”), and payment of dividend; The Subject Shares have an aggregate fair value of approximately HK\$485,977,000 (31 March 2018: HK\$585,514,000) as at 30 September 2018.

## 18. ISSUED CAPITAL

Authorised and issued capital

	<b>30 September 2018 HK\$'000 (Unaudited)</b>	31 March 2018 HK\$'000 (Audited)
Authorised capital:		
2,000,000,000,000 (31 March 2018: 2,000,000,000,000) ordinary shares of HK\$0.00025 (31 March 2018: HK\$0.00025) each	<u><b>500,000</b></u>	<u>500,000</u>
Issued and fully paid		
24,452,450,002 (31 March 2018: 24,551,714,002) ordinary shares of HK\$0.00025 (31 March 2018: HK\$0.00025) each	<u><b>6,113</b></u>	<u>6,138</u>

A summary of the movements in the Company's issued ordinary share capital and share premium account is as follows:

	<b>Number of shares in issue/ (repurchase) Note</b>	<b>Issued/ (repurchase) capital HK\$'000</b>	<b>Share premium account HK\$'000</b>	<b>Total HK\$'000</b>
At 1 April 2018 (Audited)	24,551,714,002	6,138	4,801,197	4,807,335
Shares repurchased and cancelled	(a) <u>(99,264,000)</u>	<u>(25)</u>	<u>(17,099)</u>	<u>(17,124)</u>
<b>At 30 September 2018 (Unaudited)</b>	<u><b>24,452,450,002</b></u>	<u><b>6,113</b></u>	<u><b>4,784,098</b></u>	<u><b>4,790,211</b></u>

Note:

- (a) During the six months ended 30 September 2018, the Company repurchased 99,264,000 shares at prices ranging from HK\$0.148 to HK\$0.21 per share at a total consideration of approximately HK\$17,124,000 (before brokerage and expenses in amount of HK\$25,000). The 99,264,000 repurchased ordinary shares were cancelled during the period. The premium of approximately HK\$17,099,000 paid on the repurchase of such shares was debited to share premium account.



## **FINANCIAL RESULTS AND BUSINESS REVIEW**

The Board announces that the Group, for the six months ended 30 September 2018, has recorded an unaudited net loss of approximately HK\$458,625,000 (2017: HK\$240,073,000). The net loss is mainly attributable to the impairment loss of approximately HK\$434,757,000 (2017: not applicable) arising from financial assets.

The Company is an investment holding company with its subsidiaries engaging in the following major business during the six months ended 30 September 2018:

### **a) Financial leasing**

The financial leasing business recorded a loss of approximately HK\$356,538,000 for the six months ended 30 September 2018 (2017: HK\$22,527,000). The loss was mainly attributable to the impairment of approximately HK\$369,108,000, of which the impairment of goodwill was approximately HK\$146,586,000. Although the past year has been a challenging year for the financial leasing industry, with China ramping up its efforts to address the financing issues of domestic enterprises, there will be more development opportunities for the financial leasing industry in the future.

### **b) Investment in securities**

The Group's securities portfolio had an unrealised fair value loss on financial assets measured at fair value through profit or loss of approximately HK\$24,390,000 for the six months ended 30 September 2018 (2017: HK\$168,711,000) and a realised loss of approximately HK\$7,535,000 (2017: HK\$15,027,000).

### **c) Money lending business**

The money lending business recorded a turnover of approximately HK\$67,284,000 for the six months ended 30 September 2018 (2017: HK\$19,167,000). The increase in turnover was mainly due to expansion of the business. The Group will continue to adopt a cautious approach for risk management so as to maintain the profitability of the business.

C.I.F. Financial Limited, a wholly-owned subsidiary of the Company, holds a money lenders license.

### **d) Financial technology**

The Group currently owns 60% shares of Kun Peng. Kun Peng controls the operation of Shenzhen Honesta New Finance Holding Company Ltd.\* (深圳厚生新金融控股有限公司) ("Honesta New Finance") and its subsidiaries. The financial technology, asset management and new media services under Honesta New Finance continue to create synergy with the business of the Group.

#### e) **Asset trading platform**

The Group is engaged in the trading business of financial leasing, leasing assets as well as other leasing properties, and provision of spot trading platform and marketing and consulting services related to the above businesses.

Shenzhen Asia-Pacific Leasing Assets Exchange Center Co., Ltd.\* (深圳亞太租賃資產交易中心有限公司), the Company's wholly-owned subsidiary based in Qianhai of Shenzhen, would continue to benefit from the policy advantages of the Guangdong Free Trade Area and Qianhai-Shenzhen-Hong Kong Modern Service Industry Cooperation Zone. The Company intends to develop it into a leading domestic and international asset trading platform and integrated services provider.

The Group also carried on the business in securities brokerage and commercial factoring during the six months ended 30 September 2018.

### **FUTURE PROSPECTS**

Relying on the background of its substantial shareholder, Shandong Hi-Speed Group Co., Ltd. ("Shandong Hi-Speed Group"), the Company will continue to make the most of being a listed platform and licensed institution and focus on the markets in the Greater China and "One Belt, One Road" regions. It will establish a first class investment and financing and financial holding platform with diversified business structure and distinctive business features, delivering higher profitability and excellent asset quality through an organic and inorganic development approaches.

With support from its shareholder, Shandong Hi-Speed Group, the Group will constantly explore and seek excellent investment opportunities in the countries along the "One Belt, One Road" regions and in the Guangdong – Hong Kong – Macao Greater Bay Area ("Greater Bay Area") plan. The Ministry of Commerce of the People's Republic of China announced that China's investments in the 59 countries along the "One Belt, One Road" regions in 2017 had increased by a total of US\$14.36 billion. The newly added investments mainly targeted at Singapore, Vietnam, Indonesia, Russia and the United Arab Emirates. Meanwhile, the gross national product ("GNP") of the Greater Bay Area exceeded US\$1,500 billion in 2017, making it the second largest bay area in the world in terms of GNP. In the future, besides being a financial hub participant in the Greater Bay Area, the Group will also continue to rely on the background and strength of its substantial shareholder and be rooted in the overall economic development of China.

The Group would like to develop financial investment as one of its principal business activities. Recently, the Group has made certain investments in financial instruments in line with its strategy and the directors of the Company expect that such financial investment would better utilise its existing internal financial resources and diversify the investment portfolio of the Group, thereby broadening its source of revenue and enhancing shareholders' value. The Group would continue to seek opportunities to expand its financial investment segment, which has already accounted for approximately more than 50% of the total assets of the Group. In the coming year, the Company intends to expand the scale of its asset management business and will pay close attention to investment opportunities in the Belt and Road projects as well as seek and research on education, transportation, urban development and healthcare projects to adapt to various national policies.

The Group will also look for potential acquisition targets that will create synergy with the Group and enhance profitability. As at the date of this announcement, the Group does not have any specific acquisition targets.

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

No material event affecting the Group has occurred after the end of the reporting period.

## **FUND RAISING ACTIVITIES**

The Group did not conduct any fund raising activity during the period under review.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 30 September 2018, the Group's total assets and borrowings were HK\$13,882,591,000 and HK\$8,221,605,000 respectively. The borrowings of the Group represented bank borrowings, bonds and other borrowings which were HK\$778,357,000, HK\$4,664,445,000 and approximately HK\$2,085,477,000 respectively. As at 30 September 2018, the Group had two outstanding convertible bonds in the aggregate amount of HK\$693,326,000 with a fixed interest rate of 6-8% per annum, and a public bond of HK\$4,664,637,000 with a fixed interest rate of 3.9% per annum and two unsecured bonds for a term of seven years of approximately HK\$19,808,000 with a fixed rate of interest of 5% per annum. Although the convertible bonds, the public bond and other borrowings were denominated in US dollars, the exchange rate was relatively stable and the unsecured bonds were denominated in Hong Kong dollars, thus the Company was not subject to the risks in relation to exchange rate fluctuations. The gearing ratio (total borrowings divided by total assets) as at 30 September 2018 was approximately 59.2% (2017: 32.5%).

## **CURRENCY RISK MANAGEMENT**

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi, Hong Kong dollars and US dollars. The Group is mainly exposed to foreign exchange risk with respect to Renminbi which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group and consider adopting appropriate hedging measures in the future when necessary. In addition, the Group also pays close attention to the impact of the U.S. interest rate increase cycle on the U.S. dollar-denominated assets, and will adopt appropriate response measures.

## **PLEDGE OF ASSETS**

As at 30 September 2018, certain borrowings of the Group were secured by shares of a subsidiary of the Company.

## **CONTINGENT LIABILITIES AND CAPITAL COMMITMENT**

There was no material change in the Group's contingent liabilities and capital commitment as compared to the most recently published annual report.

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

On 16 August 2018, the Board has exercised its authority under the repurchase mandate, pursuant to which, the Company has repurchased 55,170,000 shares of the Company ("Shares") in total on market, at an aggregate consideration of approximately HK\$9,997,000 (before brokerage and expenses).

On 15 August 2018, the Board has exercised its authority under the repurchase mandate, pursuant to which, the Company has repurchased 44,094,000 Shares in total on market, at an aggregate consideration of approximately HK\$7,127,000 (before brokerage and expenses).

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES**

The Group had no other material acquisitions or disposals of subsidiaries during the six months ended 30 September 2018.

## **EMPLOYEES, REMUNERATION POLICY AND RETIREMENT BENEFITS SCHEME**

As at 30 September 2018, the Group had a workforce of 566 employees (2017: 113), of which 525 (2017: 70) were based in the PRC. Staff costs incurred and charged to profit or loss for the six months ended 30 September 2018 including directors' remuneration were approximately HK\$64,557,000 (2017: approximately HK\$27,472,000). The increase in staff costs is in line with the business expansion and revenue growth of the Group.

The Group selects and promotes staff based on their qualification, experience and suitability for the position offered. The Group's remuneration policy aims to retain and motivate staff. Performance of staff is appraised annually to provide a basis for the review of the remuneration package. The Group participates in a Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all its employees (where applicable).

The employees of the Group's PRC subsidiaries are members of a state-managed retirement benefit plan operated by the government of the PRC. The PRC subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The Group provides training programmes and development opportunities for its staff. During the six months ended 30 September 2018, we have established individual training and development record for each of our employees to improve their professional service standards and to keep them updated with the latest knowledge developments and help them develop sufficient professional capability to provide better services for investors and other stakeholders. We have also been implementing the "Internal Sharing Plan" in the Group, encouraging our staff to share their expertise and experience to others. In addition, we encouraged all employees to participate in financial knowledge trainings organised by various commercial institutions to enrich and improve their understanding of finance. The Group also provided other benefits to the staff in accordance with the prevailing market practice.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Group is committed to supporting environmental sustainability. The Group implements policies and measures in our daily business operations to reduce the Group's impact on the environment.

The Group pays high attention to indicators of energy usage and emission. Although the Group is not involved in any manufacturing activities, it adheres to low-carbon travel without hindering the efficient operations of the Group. Employees shall strictly comply with the specifications of travel allowance claim under the daily expense standards. They are required to choose their mode of transportation based on efficiency and conservation. Low-carbon and efficient transportation, such as MTR and other public transport, is encouraged. We also encourage employees to travel together and pick the same flight to allow pick-up in one go and conserve energy.

The Group adheres to the policies of efficient use of energy, water and other resources as we endorse conservation of energy and resources in daily operations. We post notes at lighting switches and other conspicuous areas as one of the measures for energy conservation. We advocate the Energy Saving Charter on Indoor Temperature and maintain an average indoor temperature of our office between 24 – 26° C during summer time to save energy; use LED lights included in the Voluntary Energy Efficiency Labelling Scheme of the Electrical and Mechanical Services Department of Hong Kong; select energy efficient appliances (e.g. refrigerators, air-conditioners); request employees to switch off the lights before leaving offices; encourage reuse of stationery, such as old envelopes and folders; promote double-sided printing and reuse of paper for facsimile.

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

During the six months ended 30 September 2018, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws or regulations by the Group that has a material adverse impact on the business and operations of the Group.

## **RELATIONSHIPS WITH STAKEHOLDERS**

The Group recognises that employees are its valuable assets. The Group's employee management focuses on recruiting and developing the right people. Staff performance is measured on a regular and structured basis to provide employees with appropriate feedback and to ensure their alignment with the Group's corporate strategy. The Group also understands that maintaining good long-term relationship with business partners is one of its primary objectives of the Group. Accordingly, the management has used its best endeavor to maintain good communications, promptly exchanged ideas and shared business updates with them when appropriate. During the six months ended 30 September 2018, there was no material and significant dispute between the Group and its business partners.

On 10 August 2018, special resolutions (i) to approve the proposed amendments to the bye-laws of the Company; and (ii) to approve the adoption of new bye-laws of the Company were passed at the annual general meeting of the Company.

## **CORPORATE GOVERNANCE**

During the six months ended 30 September 2018, the Company has complied with all code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules with a view to enhancing the corporate governance practices of the Company.

## **AUDIT COMMITTEE**

The Company has an audit committee which was established in accordance with the requirements of the CG Code for the purposes of, among others, reviewing and providing supervision over the Group’s financial reporting processes and internal controls. The audit committee comprises four independent non-executive directors of the Company. The Company’s unaudited interim condensed consolidated financial statements for the six months ended 30 September 2018 have been reviewed by the audit committee of the Company.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code for securities transactions by directors of the Company. Following specific enquiry by the Company, the Directors have confirmed that they have complied with the required standard under the Model Code for the six months ended 30 September 2018.



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

This announcement is published on the Stock Exchange's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company's website ([www.csfg.com.hk](http://www.csfg.com.hk)). The interim report for the six months ended 30 September 2018 will be published on the Stock Exchange's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company's website ([www.csfg.com.hk](http://www.csfg.com.hk)) and also be dispatched to the shareholders of the Company in due course.

By Order of the Board

**China Shandong Hi-Speed Financial Group Limited**

**Li Hang**

*Chairman*

Hong Kong, 28 November 2018

*As at the date of this announcement, the Company has four executive directors, namely Mr. Ji Kecheng, Mr. Wang Zhenjiang, Mr. Yau Wai Lung and Mr. Li Zhen Yu, four non-executive directors, namely Mr. Li Hang, Dr. Lam Lee G., Mr. Qiu Jianyang and Mr. Lo Man Tuen, and four independent non-executive directors, namely Mr. To Shing Chuen, Mr. Cheung Wing Ping, Mr. Wang Huixuan and Mr. Guan Huanfei.*

\* *for identification purpose only*