中達集團控股有限公司
CENTRAL WEALTH GROUP HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 139)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The Board of Directors (the "**Board**") of Central Wealth Group Holdings Limited (the "**Company**") announces the annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2018 (the "**Year**") together with comparative figures for the previous period as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018

	Notes	**For the year ended 31 December 2018** *HK$'000*	For the period from 1 April 2017 to 31 December 2017 *HK$'000*
REVENUE			
Financial investments and services		**17,282**	185,490
Brokerage and commission income		**150,130**	38,965
Property investments		**6,650**	3,600
Advisory fee income		**392**	–
	5	**174,454**	228,055
Brokerage and commission expenses		**(4,051)**	(3,930)
		(4,051)	(3,930)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)
For the year ended 31 December 2018

	Notes	**For the year ended 31 December 2018** ***HK$'000***	For the period from 1 April 2017 to 31 December 2017 *HK$'000*
Gross profit		**170,403**	224,125
Other income and gains	*5*	**5,147**	601
Administrative expenses		**(152,921)**	(36,470)
Other operating expenses		**(5,200)**	(5,420)
Finance costs	*6*	**(64,407)**	(53,385)
Unrealised fair value gains on equity investments at fair value through profit or loss, net		**–**	121,623
Gain on disposal of available-for-sale equity investments		**–**	20,620
Impairment loss on available-for-sale equity investments		**–**	(800)
Impairment losses on other financial assets and contract assets		**(17,348)**	–
Gain on revaluation of investment properties	*12*	**5,000**	91,033
Gain on disposal of a subsidiary	*11*	**65,620**	–
Impairment loss on investment in an associate		**(51,257)**	–
Loss on step acquisition		**–**	(381)
Gain on bargain purchase		**–**	5,370
Share of (loss)/profit of associates		**(13,912)**	6,459
(LOSS)/PROFIT BEFORE TAX	*7*	**(58,875)**	373,375
Income tax expense	*8*	**(8,186)**	(4,520)
(LOSS)/PROFIT FOR THE YEAR/PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**(67,061)**	368,855
DIVIDENDS	*9*	**–**	–
(LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	*10*	**HK$(0.005)**	HK$0.033
Diluted		**HK$(0.005)**	HK$0.033

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	For the year ended 31 December 2018 *HK$'000*	For the period from 1 April 2017 to 31 December 2017 *HK$'000*
(LOSS)/PROFIT FOR THE YEAR/PERIOD	**(67,061)**	368,855
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Equity investments:		
Changes in fair value, net of tax	**–**	601,106
Reclassification adjustments for gains/(losses) included in the consolidated statement of profit and loss:		
– Gain on disposal	**–**	(20,620)
– Impairment losses	**–**	800
	–	581,286
Exchange differences:		
Exchange differences on translation of foreign operations	**(71)**	–
	(71)	–
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(71)**	581,286
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value, net of tax	**(943,780)**	–
	(943,780)	–
Share of other comprehensive loss of an associate	**(108,738)**	–
Release of fair value reserve upon partial disposal of an associate	**407**	–
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(1,052,111)**	–
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**(1,119,243)**	950,141

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	31 December 2018 HK$'000	31 December 2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,104**	5,006
Investment property	*12*	**435,000**	430,000
Intangible assets		**500**	500
Investment in an associate	*13*	**225,194**	–
Equity investments at fair value through other comprehensive income	*14*	**1,296,154**	–
Available-for-sale equity investments	*14*	**–**	1,710,695
Deferred tax assets		**2,734**	–
Deposits		**12,799**	9,915
Total non-current assets		**1,976,485**	2,156,116
CURRENT ASSETS			
Loan receivables from money lending business	*16*	**299,497**	476,765
Trade receivables from business of trading and distribution of electronic and accessory products	*17*	**–**	–
Trade receivables from securities and futures dealing business	*18*	**395,294**	391,219
Trade receivables from placing and asset management business	*19*	**6,294**	–
Prepayments, deposits and other receivables		**21,432**	30,060
Equity investments at fair value through profit or loss	*15*	**21**	560,368
Cash and bank balances		**100,910**	123,387
Bank balances held on behalf of clients		**90,966**	90,624
		914,414	1,672,423
Assets of a disposal group classified as held for sale		**–**	400,109
Total current assets		**914,414**	2,072,532
CURRENT LIABILITIES			
Trade payables	*20*	**99,486**	208,078
Other payables and accruals	*21*	**35,225**	22,378
Shareholder loan		**–**	122,000
Other borrowings	*22*	**472,178**	525,930
Bank borrowings	*22*	**142,298**	167,763
Bank overdrafts	*22*	**45,095**	59,494
Tax payable		**4,859**	9,023
		799,141	1,114,666
Liabilities directly associated with the assets classified as held for sale		**–**	139,314
Total current liabilities		**799,141**	1,253,980

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 December 2018

	Notes	31 December 2018 HK$'000	31 December 2017 HK$'000
NET CURRENT ASSETS		**115,273**	818,552
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,091,758**	2,974,668
NON-CURRENT LIABILITIES			
Notes payable		**86,574**	86,574
Bank borrowings	*22*	**156,362**	164,056
Deferred tax liabilities		**–**	134
Total non-current liabilities		**242,936**	250,764
Net assets		**1,848,822**	2,723,904
EQUITY			
Equity attributable to owners of the parent			
Share capital	*23*	**147,167**	127,167
Reserves		**1,701,655**	2,596,737
Total equity		**1,848,822**	2,723,904

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with 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 ("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 listed equity investments and investment property which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018. 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 owners 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.

2. 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 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Except for the amendments to HKFRS 4, which is not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

(a) Amendments to HKFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.

(b) HKFRS 9 Financial Instruments replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows:

	Notes	HKAS 39 measurement Category	HKAS 39 measurement Amount HK$'000	Re-classification HK$'000	ECL HK$'000	Other HK$'000	HKFRS 9 measurement Amount HK$'000	HKFRS 9 measurement Category
Financial assets								
Equity investments at fair value through other comprehensive income		N/A	–	2,263,056	–	–	2,263,056	FVOCI[1] (equity)
From: Available-for-sale equity investments	*(i)*			1,710,695	–	–		
From: Equity investments at fair value through profit or loss	*(ii)*			552,361	–	–		
Available-for-sale equity investments		AFS[2]	1,710,695	(1,710,695)	–	–	–	N/A
To: Equity investments at fair value through other comprehensive income	*(i)*			(1,710,695)	–	–		
Non-current deposits		L&R[3]	9,915	–	–	–	9,915	AC[4]
Loan receivables from money lending business	*(iii)*	L&R	476,765	–	(477)	–	476,288	AC
Trade receivables from business of trading and distribution of electronic and accessory products		L&R	–	–	–	–	–	AC
Trade receivables from securities and futures dealing business	*(iii)*	L&R	391,219	–	(335)	–	390,884	AC
Financial assets included in prepayments, deposits and other receivables		L&R	27,798	–	–	–	27,798	AC
Equity investments at fair value through profit or loss		FVPL[5]	560,368	(552,361)	–	–	8,007	FVPL (mandatory)
To: Equity investments at fair value through other comprehensive income	*(ii)*			(552,361)	–	–		
Cash and bank balances		L&R	123,387	–	–	–	123,387	AC
Bank balances held on behalf of clients		L&R	90,624	–	–	–	90,624	AC
			3,390,771	–	(812)	–	3,389,959	
Total assets			4,228,648	–	(757)	–	4,227,891	
Financial liabilities								
Trade payables		AC	208,078	–	–	–	208,078	AC
Other payables and accruals		AC	22,378	–	–	–	22,378	AC
Shareholder loan		AC	122,000	–	–	–	122,000	AC
Other borrowings		AC	525,930	–	–	–	525,930	AC
Bank borrowings		AC	331,819	–	–	–	331,819	AC
Bank overdrafts		AC	59,494	–	–	–	59,494	AC
Notes payable		AC	86,574	–	–	–	86,574	AC
			1,356,273	–	–	–	1,356,273	
Total liabilities			1,504,744	–	–	–	1,504,744	

[1] FVOCI: Financial assets at fair value through other comprehensive income

[2] AFS: Available-for-sale investments

[3] L&R: Loans and receivables

[4] AC: Financial assets or financial liabilities at amortised cost

[5] FVPL: Financial assets at fair value through profit or loss

Notes:

(i) The Group has elected the option to irrevocably designate its previous available-for-sale equity investments as equity investments at fair value through other comprehensive income.

(ii) The Group has elected the option to irrevocably designate certain of its previous equity investments at fair value through profit or loss as equity investments at fair value through other comprehensive income.

(iii) The Group has remeasured the carrying amounts of loan receivables from money lending business and trade receivables from securities and futures dealing business.

Impairment

The following table reconciles the aggregate opening impairment allowances under HKAS 39 to the ECL allowances under HKFRS 9.

	Impairment allowances under HKAS 39 at 31 December 2017	**Re-measurement**	**ECL allowances under HKFRS 9 at 1 January 2018**
	HK$'000	*HK$'000*	*HK$'000*
Loan receivables from money lending business	–	477	477
Trade receivables from securities and futures dealing business	–	335	335
Trade receivables from business of trading and distribution of electronic and accessory products	1,175	–	1,175
	1,175	812	1,987

Impact on reserves and accumulated losses

The impact of transition to HKFRS 9 on reserves and accumulated losses is as follows:

	Reserves and accumulated losses *HK$'000*
Fair value reserve under HKFRS 9 (available-for-sale investment revaluation reserve under HKAS 39)	
Balance as at 31 December 2017 under HKAS 39	1,026,030
Reversal of impairment losses under HKAS 39 for equity investments at fair value through other comprehensive income previously classified as available-for-sale equity investments	(429,777)
Reclassification of financial assets from equity investments at fair value through profit or loss to equity investments at fair value through other comprehensive income	153,403
Balance as at 1 January 2018 under HKFRS 9	749,656
Accumulated losses	
Balance as at 31 December 2017 under HKAS 39	(3,661,367)
Recognition of expected credit losses for loan receivables from money lending business under HKFRS 9	(477)
Recognition of expected credit losses for trade receivables from securities and futures dealing business under HKFRS 9	(335)
Reversal of impairment losses under HKAS 39 for equity investments at fair value through other comprehensive income previously classified as available-for-sale equity investments	429,777
Reclassification of financial assets from equity investments at fair value through profit or loss to equity investments at fair value through other comprehensive income	(153,403)
Deferred tax in relation to the above	55
Balance as at 1 January 2018 under HKFRS 9	(3,385,750)

(c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group has adopted HKFRS 15 using the full retrospective method of adoption. The standard has had no impact on the timing of the revenue recognition; but additional disclosures on the nature, amounts, timing and uncertainty of revenue and cash flows arising from contracts with customers will be required.

(d) Amendments to HKAS 40 clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments have had no impact on the financial position or performance of the Group.

(e) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

(f) Amendments under Annual Improvements to HKFRSs 2014-2016 Cycle

- HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*: Deletes the short-term exemptions for first-time adopters because the reliefs provided in the exemptions are no longer applicable. The amendments are not applicable to the Group's financial statements.

- HKAS 28 *Investments in Associates and Joint Ventures*: Clarifies that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries when applying the equity method. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (i) the investment entity associate or joint venture is initially recognised; (ii) the associate or joint venture becomes an investment entity; and (iii) the investment entity associate or joint venture first becomes a parent. The amendments did not have any impact on the Group's financial statements.

3. ISSUED BUT NOT EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 3	*Definition of a Business*[2]
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures*[4]
HKFRS 16	*Leases*[1]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKAS 1 and HKAS 8	*Definition of Material*[2]
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*[1]
Amendments to HKAS 28	*Long-term Interest in Associates and Joint Ventures*[1]
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*[1]
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2020
3 Effective for annual periods beginning on or after 1 January 2021
4 No mandatory effective date yet determined but available for adoption

Except for HKFRS 16 below, the Group expects that the amendments do not have significant impact on its financial statements.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease,* HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. The Group is considering to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of the initial application as an adjustment to the opening balances at 1 January 2019 with no restatement of the comparative information. Upon the initial adoption of HKFRS 16, the opening balances of lease liabilities and the corresponding right-of-use assets are estimated to be adjusted by HK$22,708,000, net of tax, as at 1 January 2019. The above overall financial impact is subject to change of assumptions, judgements and estimates to be finalised in the financial statements of 2019.

4. OPERATING SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary of details of the operating segments are as follows:

(a) the electronic and accessory products segment trades electronic and accessory products;

(b) the financial investments and services segment comprises financial investments and trading, debt and equity investments and money lending business;

(c) the brokerage and commission segment comprises provision of trading in securities and futures contracts services;

(d) the property investments segment comprises leasing of investment properties; and

(e) the corporate and others segment comprises corporate income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is measured consistently with the Group's profit/loss before tax except that bank interest income, gain on disposal of a subsidiary, impairment loss on investment in an associate, shares of loss/(profit) of associates, loss on step acquisition, finance costs and head office and corporate expenses are excluded from such measurement.

Segment assets exclude cash and bank balances, investment in an associate, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude notes payable, bank overdrafts, bank borrowings, other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the year ended 31 December 2018

	Financial investments and services *HK$'000*	Brokerage and commission *HK$'000*	Property investments *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Segment revenue:					
External	17,282	150,130	6,650	392	174,454
Intersegment sales	–	7,267	–	–	7,267
	17,282	157,397	6,650	392	181,721
Elimination	–	(7,267)	–	–	(7,267)
Total	17,282	150,130	6,650	392	174,454
Segment results	2,859	56,165	11,190	(62,481)	7,733
Reconciliation:					
Bank interest income					12
Gain on disposal of a subsidiary					65,620
Impairment loss on investment in an associate					(51,257)
Unallocated expenses					(2,664)
Finance costs					(64,407)
Share of loss of an associate					(13,912)
Loss before tax					(58,875)
Income tax expense					(8,186)
Loss for the year					(67,061)
Assets and liabilities					
Segment assets	1,612,101	503,780	435,057	10,985	2,561,923
Reconciliation:					
Unallocated assets					328,976
Total assets					2,890,899
Segment liabilities	2,420	117,464	1,639	13,102	134,625
Reconciliation:					
Unallocated liabilities					907,452
Total liabilities					1,042,077

For the period from 1 April 2017 to 31 December 2017

	Electronic and accessory products *HK$'000*	Financial investments and services *HK$'000*	Brokerage and commission *HK$'000*	Property investments *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Segment revenue:						
External	–	185,490	38,965	3,600	–	228,055
Intersegment sales	–	–	804	–	–	804
	–	185,490	39,769	3,600	–	228,859
Elimination	–	–	(804)	–	–	(804)
Total	–	185,490	38,965	3,600	–	228,055
Segment results	(16)	319,914	23,125	92,505	(7,638)	427,890
Reconciliation:						
Bank interest income						1
Unallocated expenses						(1,131)
Finance costs						(53,385)
Profit before tax						373,375
Income tax expense						(4,520)
Profit for the period						368,855
Assets and liabilities						
Segment assets	–	2,769,117	402,976	830,184	12,307	4,014,584
Reconciliation:						
Unallocated assets						214,064
Total assets						4,228,648
Segment liabilities	755	2,007	211,580	1,868	14,327	230,537
Reconciliation:						
Unallocated liabilities						1,274,207
Total liabilities						1,504,744

Other segment information

For the year ended 31 December 2018

	Financial investments and services *HK$'000*	Brokerage and commission *HK$'000*	Property investments *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Depreciation	–	495	31	1,492	2,018
Impairment losses on loan receivables from money lending business, net	1,297	–	–	–	1,297
Impairment losses on trade receivables from securities and futures dealing business, net	–	6,219	–	–	6,219
Impairment losses on trade receivables from placing and asset management business, net	–	649	–	2	651
Impairment losses on financial assets included in prepayments, deposits and other receivables, net	9,181	–	–	–	9,181
Share of loss of an associate	–	–	–	13,912	13,912
Gain on revaluation of investment properties	–	–	(5,000)	–	(5,000)
Gain on disposal of items on property, plant and equipment	–	–	–	(6)	(6)
Capital expenditure*	–	1,151	–	39	1,190

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

For the period from 1 April 2017 to 31 December 2017

	Electronic and accessory products *HK$'000*	Financial investments and services *HK$'000*	Brokerage and commission *HK$'000*	Property investments *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Depreciation	–	–	154	233	1,118	1,505
Impairment losses recognised in the statement of profit or loss	–	800	–	–	–	800
Write off of deposits and other receivables	–	319	–	–	–	319
Share of profit of associates	–	–	–	–	(6,459)	(6,459)
Loss on step acquisition	–	–	–	–	381	381
Gain on bargain purchase	–	–	–	–	(5,370)	(5,370)
Gain on revaluation of investment properties	–	–	–	(91,033)	–	(91,033)
Fair value gains on equity investments at fair value through profit or loss, net	–	(121,623)	–	–	–	(121,623)
Gain on disposal of available-for-sale equity investments	–	(20,620)	–	–	–	(20,620)
Capital expenditure*	–	–	110	–	880	990

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

Geographical information

The Group's revenue and non-current assets are predominantly attributable to a single geographical region, Hong Kong, which is the Group's principal place of business and operations. Therefore, no analysis by geographical region is presented.

Information about a major customer

During the year ended 31 December 2018, operating income or revenue from transactions with each external customer amounts to less than 10% of the Group's total operating income or revenue. For the period ended 1 April 2017 to 31 December 2017, operating income or revenue from transactions with each external customer amounts to less than 10% of the Group's total operating income or revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the aggregate of the losses on disposal of equity investments at fair value through profit or loss, dividend income from investment in listed equity securities, interest income from money lending business, interest income from securities margin, commission income from securities and futures dealing, commission from placing and property rental income during the year ended 31 December 2018 and period from 1 April 2017 to 31 December 2017.

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

	For the year ended 31 December 2018 *HK$'000*	For the period from 1 April 2017 to 31 December 2017 *HK$'000*
Revenue		
Revenue from contracts with customers		
Commission income from securities and futures dealing	**21,015**	12,641
Commission income from placing	**97,737**	18,748
Advisory fee income	**392**	–
Revenue from other sources		
Losses on disposal of equity investments at fair value through profit or loss	**(14,357)**	(5,181)
Dividend income from investment in listed equity securities	**–**	157,687
Interest income from money lending business*	**31,639**	32,984
Interest income from securities margin*	**31,378**	7,576
Property rental income	**6,650**	3,600
	174,454	228,055

* Interest income from money lending business and interest income from securities margin were calculated using the effective interest method.

	For the year ended 31 December 2018 *HK$'000*	For the period from 1 April 2017 to 31 December 2017 *HK$'000*
Other income and gains		
Gain on disposal of items of property, plant and equipment	**6**	–
Bank interest income	**12**	1
Handling fee income	**4,196**	433
Others	**933**	167
	5,147	601

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the year ended 31 December 2018 *HK$'000*	For the period from 1 April 2017 to 31 December 2017 *HK$'000*
Interest on bank borrowings	**11,749**	4,736
Interest on other borrowings	**45,474**	45,001
Interest on bank overdrafts	**2,779**	338
Interest on notes payable	**4,395**	3,302
Others	**10**	8
	64,407	53,385

7. (LOSS)/PROFIT BEFORE TAX

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

	For the year ended 31 December 2018	For the period from 1 April 2017 to 31 December 2017
	HK$'000	*HK$'000*
Depreciation	**2,018**	1,505
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**42,290**	12,629
Equity-settled share option arrangements, net	**44,918**	–
Retirement benefit scheme contributions	**1,315**	277
	88,523	12,906
Minimum lease payments under operating leases	**16,577**	7,113
Auditor's remuneration	**3,480**	2,600
Impairment losses on other financial assets and contract assets, net		
Impairment losses on loan receivables from money lending business, net *(note 16)*	**1,297**	–
Impairment lossses on trade receivable from securities and futures dealing business, net *(note 18)*	**6,219**	–
Impairment lossses on trade receivable from placing and asset management business, net *(note 19)*	**651**	–
Impairment losses on financial assets included in prepayments, deposits and other receivables, net	**9,181**	–
Write off of deposits and other receivables	**–**	319
Gain on disposal of items of property, plant and equipment	**(6)**	–
Gain on revaluation of investment properties	**(5,000)**	(91,033)
Gain on bargain purchase	**–**	(5,370)
Foreign exchange differences, net	**393**	116
Impairment loss on an investment in an associate	**51,257**	–
Loss on partial disposal of equity interests in an associate	**472**	–
Loss from release of fair value reserve upon partial disposal of an associate	**407**	–

At 31 December 2018, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (Period ended 31 December 2017: Nil).

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (Period ended 31 December 2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in Mainland China in the current year have been calculated at the rates of tax prevailing in Mainland China in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	For the year ended 31 December 2018 *HK$'000*	For the period from 1 April 2017 to 31 December 2017 *HK$'000*
Current – Hong Kong		
Charge for the year/period	**11,041**	4,533
Overprovision in prior years	**(42)**	–
Deferred	**(2,813)**	(13)
Total tax charge for the year/period	**8,186**	4,520

9. DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 December 2018 (Period ended 31 December 2017: Nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share (Period ended 31 December 2017: basic earnings per share) amount is based on the loss for the year (Period ended 31 December 2017: profit for the period) attributable to owners of the parent of HK$67,061,000 (Period ended 31 December 2017: HK$368,855,000), and the weighted average number of ordinary shares in issue of 13,856,376,488 (Period ended 31 December 2017: 11,143,413,958).

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the year ended 31 December 2018 and period ended 31 December 2017 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic (loss)/earnings per share amounts presented.

The calculation of the basic and diluted (loss)/earnings per share are based on:

	For the year ended 31 December 2018 *HK$'000*	For the period from 1 April 2017 to 31 December 2017 *HK$'000*
(Loss)/earnings		
(Loss) for the year/profit for the period attributable to owners of the parent, used in the basic and diluted (loss)/earnings per share calculations	**(67,061)**	368,855

	Number of shares	
	2018	2017
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the year/period used in the basic and diluted (loss)/earnings per share calculations	**13,856,376**	11,143,414

11. DISPOSAL OF A SUBSIDIARY

On 25 April 2018, the Group disposed of its entire interest in Goodview Assets Limited, an indirectly wholly-owned subsidiary of the Group, which was previously classified as "Disposal Group of Assets held for sale" as at 31 December 2017, for acquisition of 1,793,103,448 consideration shares in FWF, which equity interest was accounted for as investment in an associate of the Group.

	HK$'000
Net assets disposed of:	
Investment property	400,000
Prepayments, deposits and other receivables	35
Other payables and accruals	(1,007)
Bank borrowings	(137,338)
	261,690
Gain on disposal of a subsidiary	80,793
Elimination of unrealised profits and losses on transactions with the associate*	(15,173)
Gain on disposal attributed to the Group	65,620
Satisfied by:	
Acquisition of consideration shares of FWF (1,793,103,448@HK$0.191)	342,483

* The Group considered that the transaction resulting in loss of control of subsidiary was sale or contributions of assets to an associate prescribed in HKAS 28 where gains and losses resulting from transaction between the Group and its associate to be recognised only to the extent of unrelated interests in the associate.

12. INVESTMENT PROPERTY

	HK$'000
Carrying amount at 1 April 2017	–
Addition (from acquisition)	738,967
Net gain from a fair value adjustment	91,033
Transfer to disposal group classified as held for sale	(400,000)
Carrying amount at 31 December 2017 and 1 January 2018	430,000
Net gain from a fair value adjustment	5,000
Carrying amount at 31 December 2018	435,000

The Group held one investment property as at 31 December 2018 which is located No.2 Lincoln Road in Kowloon. The Group held two investment properties as at 31 December 2017 which are located at No. 1 Lincoln Road and No. 2 Lincoln Road in Kowloon respectively. Property located at No. 1 Lincoln Road was held by Goodview Assets Limited which was classified as "Disposal Group classified as held for sale". The equity interest of the disposal group was subsequently disposed on 25 April 2018.

The Group's investment property was revalued on 31 December 2018 based on valuation performed by Ascent Partners Valuation Service Limited, an independent professionally qualified valuer. Each year, the Group's management and the chief financial officer decide, after approval from the audit committee, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's financial controller have discussions with the valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

At 31 December 2018 and 31 December 2017, the Group's investment property was pledged to secure general banking facilities granted to the Group.

13. INVESTMENT IN AN ASSOCIATE

	31 December 2018	31 December 2017
	HK$'000	*HK$'000*
Share of net assets	**225,194**	–
Goodwill on acquisition	**51,257**	–
Provision for impairment	**(51,257)**	–
	225,194	–

The loans from an associate included in the Group's current liabilities totalling HK$172,000,000 are unsecured, interest-bearing at 8% per annum and repayable on demand.

Particulars of the material associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Future World Financial Holdings Limited ("FWF") */#	Ordinary shares HK$0.001 each	Cayman Islands	18.70% *(Note (a))*	Investment in and trading of securities, provision of financing services and property investment

* *Listed on the Main Board of the Hong Kong Stock Exchange*

Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

The associate is accounted for using the equity method.

Notes:

(a) On 25 April 2018, the Group's equity interest in FWF was 18.78%. It was decreased to 18.70% due to the sale of 9,660,000 ordinary shares of FWF at approximately HK$0.0691 per share on 10 October 2018. Accordingly, a loss on partial disposal of interests in an associate amounted to HK$472,000 and loss from release of fair value reserve upon partial disposal of an associate amounted to HK$407,000 were credited to the consolidated statement of profit or loss.

(b) The following table illustrates the summarised financial information in respect of FWF adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	HK$'000
Current assets	469,663
Non-current assets	1,383,299
Current liabilities	(567,576)
Net assets	1,285,386
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	18.70%
Group's share of net assets of the associate	240,367
Goodwill on acquisition (less cumulative impairment)	–
Elimination of unrealised profits and losses on transactions with the associate	(15,173)
Carrying amount of the investment	225,194
Revenue	
Loss for the year attributable to owners of FWF	(79,839)
Other comprehensive loss for the year attributable to owners of FWF	(500,544)
Total comprehensive loss for the year attributable to owners of FWF	(580,383)
Fair value of the Group's investment	112,594

14. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/ AVAILABLE-FOR-SALE EQUITY INVESTMENTS

	31 December 2018	31 December 2017
	HK$'000	*HK$'000*
Equity investments at fair value through other comprehensive income		
Listed equity investments, at fair value	**1,296,154**	–
Available-for-sale equity investments		
Listed equity investments, at fair value	**–**	1,710,695

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the period ended 31 December 2017, there was a further decline in the market value of a listed equity. The directors consider that such a decline indicates that the listed equity investment is impaired and an impairment loss of HK$800,000 has been recognised in the statement of profit or loss for the period.

15. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2018	31 December 2017
	HK$'000	*HK$'000*
Listed equity investments in Hong Kong, at fair value	**21**	560,368

The above equity investments at 31 December 2018 and 31 December 2017 were classified as fair value through profit or loss as they were held for trading. The fair values of listed equity investments are based on quoted market prices.

16. LOAN RECEIVABLES FROM MONEY LENDING BUSINESS

	31 December 2018	31 December 2017
	HK$'000	*HK$'000*
Loan receivables	**301,271**	476,765
Provisions/impairment*	**(1,774)**	–
	299,497	476,765

As at 31 December 2018, loan receivables represented loans of HK$299,497,000 (31 December 2017: HK$476,765,000) granted by the Group to a number of independent third parties. The loans bore interest at rates ranging from 5% to 12% per annum (31 December 2017: ranging from 5% to 12% per annum) and were repayable within one year. The grants of these loans were approved and monitored by the Group's management. The loan balances were not past due for which there was no recent history of default.

The Group holds collateral or other credit enhancement over its loan receivables balance of HK$179,485,000 (31 December 2017: Nil). The carrying amount of the loan receivables approximates their fair values.

* The balances also include the provisions on off-balance sheet credit exposures.

17. TRADE RECEIVABLES FROM BUSINESS OF TRADING AND DISTRIBUTION OF ELECTRONIC AND ACCESSORY PRODUCTS

	31 December 2018	31 December 2017
	HK$'000	*HK$'000*
Trade receivables arising from the business of trading and distribution of electronic and accessory products	**–**	1,175
Impairment	**–**	(1,175)
	–	–

Included in the above provision for impairment of trade receivables as at 31 December 2017 is a provision of HK$1,175,000 for individually impaired trade receivables, arising from the business of trading and distribution of electronic and accessory products, with a carrying amount before provision of HK$1,175,000. The individually impaired trade receivables relate to customers that were in dispute or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recovered. Such trade receivables together with associated allowance are written off during the year as they are past due for more than one year and are not subject to enforcement activity.

18. TRADE RECEIVABLES FROM SECURITIES AND FUTURES DEALING BUSINESS

	31 December 2018 *HK$'000*	31 December 2017 *HK$'000*
Trade receivables arising from the securities and futures dealing business		
– Clearing houses	**2,833**	11,803
– Cash clients	**18,819**	39,622
– Margin clients	**379,993**	331,670
– Brokers	**202**	8,124
	401,847	391,219
Impairment	**(6,553)**	–
	395,294	391,219

Trade receivables from cash clients, clearing houses and brokers arising from the securities and futures dealing business are repayable on demand subsequent to the settlement date. The normal settlement terms of the said trade receivables are, in general, within 2 days after the trade date. The Group allows a credit period mutually agreed with the contracting parties for receivables from margin clients.

Except for receivables from margin clients, the Group does not hold any collateral or other credit enhancements over these balances. The Group is allowed to dispose of the securities or futures deposited by the customers with the Group to settle any overdue amount.

Trade receivables are unsecured, interest free and repayable on the settlement date of the relevant trades, except for the receivables from margin clients of HK$379,993,000 (31 December 2017: HK$331,670,000) which bears interest at a range of 7% to 12.25% per annum (31 December 2017: range of 9.25% to 12.25% per annum) and are secured by investments held by margin clients of approximately HK$705,157,000 (31 December 2017: HK$2,782,100,000) as at 31 December 2018. The carrying amount of the trade receivables approximates their fair values.

The Group maintains accounts with the clearing houses through which it conducts securities and futures trading transactions and settlement on a net basis.

No ageing analysis is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of the business nature.

* Other than the margin client and cash client receivables, no credit loss allowance has been provided for other trade receivable as the related credit loss allowances were immaterial.

19. TRADE RECEIVABLES FROM PLACING AND ASSET MANAGEMENT BUSINESS

	31 December 2018 **HK$'000**	31 December 2017 *HK$'000*
Trade receivables arising from the placing and asset management business		
– Corporate clients	**6,553**	–
– Investment funds	**392**	–
	6,945	–
Impairment	**(651)**	–
	6,294	–

Trade receivables from corporate clients and investment funds which are past due but not credit-impaired represent receivables arising from placing and asset management business which have not yet been settled by clients after the Group's normal credit period. Except for the impairment loss provided, the outstanding trade receivables from corporate clients and investment funds as at 31 December 2018 were considered not to be credit impaired as the credit rating and reputation of the trade counterparty are sound.

No ageing analysis is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of business nature.

20. TRADE PAYABLES

	31 December 2018 **HK$'000**	31 December 2017 *HK$'000*
Trade payables arising from the business of trading and distribution of electronic and accessory products	**502**	502
Trade payables arising from the securities and futures dealing business		
– Clearing houses	**6,188**	–
– Cash clients	**41,444**	55,235
– Margin clients	**51,352**	152,341
	99,486	208,078

Trade payables arising from securities dealing business bear interest at 0.01% per annum and repayable on the settlement day of the relevant trades. The carrying amount of trade payables approximates their fair values.

Trade payables arising from futures dealing business are non-interest bearing and repayable on the settlement day of the relevant trades. The carrying amount of trade payables approximates their fair values.

No ageing analysis is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in the view of the business nature.

21. OTHER PAYABLES AND ACCRUALS

The Group's payables and accruals are non-interest-bearing and are normally settled within three months. The carrying amount of financial liabilities included in other payables and accruals approximates their fair values.

22. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2018			31 December 2017		
	Effective interest rate (%)	**Maturity**	**HK$'000**	Effective interest rate (%)	Maturity	HK$'000
Current						
Bank overdrafts – secured	**4.9 to 5.25**	**on demand**	**45,095**	5 to 5.3	on demand	59,494
Bank loans – secured	**2.2 to 3.7**	**2019**	**134,500**	3.2 to 3.6	2018	160,000
Current portion of long term bank loans – secured	**3.2 to 3.6**	**2019**	**7,798**	2.7 to 3.5	2018	7,763
			142,298			167,763
Other loans – unsecured	**8.0**	**on demand**	**172,000**	8.0	on demand	117,000
Other loans – secured	**7.3 to 13.1**	**2019**	**300,178**	7.3 to 11.0	2018	408,930
			472,178			525,930
			659,571			753,187
Non-current						
Bank loans – secured	**3.2 to 3.6**	**2020 – 2037**	**156,362**	2.7 to 3.5	2019-2037	164,056
			815,933			917,243

Notes:

(a) The Group's overdraft facilities amounting to HK$175,000,000 (31 December 2017: HK$175,000,000), of which HK$45,095,000 (31 December 2017: HK$59,494,000) had been utilised as at the end of the reporting period.

(b) The Group's bank overdrafts and certain of the Group's bank borrowings included above are secured by:

i. mortgages over the Group's investment property situated in Hong Kong, which had an aggregate carrying value at the end of the reporting period of HK$435,000,000 (31 December 2017: HK$430,000,000).

ii. listed securities pledged to the Group by certain margin clients with an aggregate amount of approximately HK$197,595,000 (31 December 2017: HK$218,088,000).

(c) Certain of the Group's other loans are secured by listed securities held by the Group with market values as below:

At 31 December 2018

Stock code	Accounting classification	*HK$'000*
1141	Equity investments at fair value through other comprehensive income	1,276,397
		1,276,397

At 31 December 2017

Stock code	Accounting classification	*HK$'000*
1141	Available-for-sale equity investments	547,778
1141	Equity investments at fair value through profit or loss	1,377,966
		1,925,744

(d) Other loans – unsecured are repayable on demand to Globally Finance Limited, a subsidiary of FWF, an associate of the Group.

(e) Current portion of bank loans and other borrowings are maturing within one year. The carrying amounts of these loans approximate to their fair values due to the short term maturities floating interest rates.

(f) Mortgaged bank loans bear floating rates with reference to HIBOR and Prime Rate. The carrying amounts of these loans approximate their fair values.

23. SHARE CAPITAL

Shares

	31 December 2018 *HK$'000*	31 December 2017 *HK$'000*
Authorised:		
80,000,000,000 (31 December 2017: 80,000,000,000) ordinary shares of HK$0.01 each	**800,000**	800,000
Issued and fully paid:		
14,716,650,461 (31 December 2017: 12,716,650,461) ordinary shares of HK$0.01 each	**147,167**	127,167

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

	Notes	Number of shares in issue	Issued share capital HK$'000	Share premium account HK$'000	Total HK$'000
At 1 April 2017		8,965,128,980	89,651	4,070,821	4,160,472
Issue of new shares, net of expenses	(i)	3,751,521,481	37,516	420,668	458,184
At 31 December 2017 and 1 January 2018		12,716,650,461	127,167	4,491,489	4,618,656
Issue of new shares	(ii)	2,000,000,000	20,000	180,000	200,000
At 31 December 2018		14,716,650,461	147,167	4,671,489	4,818,656

Notes:

(i) During the period from 1 April 2017 to 31 December 2017, the Group issued shares in respect to the following transactions:

a. On 8 May 2017, the Company placed a total of 1,300,040,000 shares at HK$0.155 per share representing 14.50% of its total issued capital at that time. The net proceeds from the placing of approximately HK$198,484,000 was used as 50% for financial investments and trading, 30% for money lending business and 20% for working capital.

b. On 27 July 2017, the Company and FWF entered into a share swap agreement, under which the Company subscribed for 470,000,000 FWF shares at HK$0.11 per share for a total consideration of HK$51,700,000 and FWF subscribed for 470,000,000 shares of the Company at HK$0.11 per share for a total consideration of HK$51,700,000. 470,000,000 shares of the Company were allotted and issued to FWF on 4 August 2017.

c. On 8 September 2017, the Group completed the acquisition of 66% equity interest of Instant Achieve for a total consideration of HK$16,000,000, settled by the allotment and issue of 148,148,148 shares of the Company at approximately HK$0.108 per share.

d. On 8 September 2017, the Group repaid the amount due to Globally Finance Limited of HK$90,000,000, settled by the allotment and issue of 833,333,333 shares of the Company at HK$0.108 per share.

e. On 13 September 2017, the Group acquired the equity interest of Goodview Assets Limited for a consideration of HK$150,000,000, settled by cash amounting to HK$48,000,000 and by the allotment and issue of 1,000,000,000 shares of the Company at the issue price of HK$0.102 for a total consideration of HK$102,000,000.

(ii) During the year ended 31 December 2018, the Group placed a total of 2,000,000,000 shares at HK$0.1 per share representing 15.73% of its total issued capital at that time. The proceeds from the placing of approximately HK$200,000,000 was used for the repayment of loan.

24. COMPARATIVE FIGURES

During 2017, the board of directors of the Company resolved to change the financial year end date of the Company from 31 March to 31 December effective from 31 December 2017 in order to align the financial year end date of the subsidiaries, Instant Achieve and its wholly owned subsidiaries, CWSI and CWF. The consolidated financial statements present for the prior period therefore covered a nine-month period from 1 April 2017 to 31 December 2017. The corresponding comparative amounts presented for the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of cashflows and related notes, which are prepared for the year from 1 January 2018 to 31 December 2018, may not be comparable with amounts shown for the prior period.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results

We are pleased to present the results of the Group for the year ended 31 December 2018 (the "**Year**"). The Group recorded a revenue of approximately HK$174.5 million as compared to the revenue of approximately HK$228.1 million last period. The revenue mainly comprised the brokerage and commission income of approximately HK$150.1 million and interest income from money lending business of approximately HK$31.6 million. The net loss for the Year was approximately HK$67.1 million as compared to the net profit of approximately HK$368.9 million for the last period. Basic loss per share attributable to ordinary equity holders of the parent for the Year was approximately HK$0.005 (31 December 2017: basic earnings per share of HK$0.033). The Group's net loss for the Year was mainly attributable to (i) the impairment loss on investment in an associate of approximately HK$51.3 million; (ii) the share of loss of an associate of approximately HK$13.9 million; (iii) the impairment losses on other financial assets and contract assets of approximately HK$17.3 million. The unrealized fair value loss on equity investments at fair value through other comprehensive income (the "**FVTOCI**") of the Year of approximately HK$943.8 million and the share of other comprehensive loss of an associate of approximately HK$108.7 million were taken to revaluation reserve account and resulted in a decrease in the Group's other comprehensive income and total net assets.

Economy review

The Sino-US trade wars and midterm elections highlighted U.S. economy in 2018 for investors. Since July 2018, U.S. imposed tariffs on billions of dollars worth of Chinese products and China retaliated in the same way. The trade war resulted in billions of dollars of losses for both sides, hitting industries including autos, technology and agriculture, etc. With the U.S. economy and the equity market are in good shape, the U.S. economy advanced 2.9%, above 2.2% in 2017 and the highest growth rate since 2015. Due to the escalation of the Sino-US trade war, the exchange rate of Renminbi weakened against US dollar in the second half of the year.

Driven by the consumer market, the GDP growth in Mainland China reached 6.6% for 2018. The unemployment rate remained stable, and consumer prices increased modestly. Urban and rural residents continued to experience income growth. In light of the stable economic development, the consumer goods market generally maintained a steady growth. Despite the above, Chinese consumers worried about a weaker global economy, and the lingering Sino-US trade war has affected China's economy.

Hong Kong's economy expanded by 1.3% year-on-year in real terms in the fourth quarter of 2018, after the growth of 2.8% in the preceding quarter. For 2018 as a whole, Hong Kong's GDP grew by 3% in real terms that was faster than the trend growth of 2.8% over the past ten years for the second year. Despite the good performance in economy, Hong Kong, as the world's freest economy, was greatly affected by the global environment. With the unsatisfactory performance in the global and China market, during the Year, the Hang Seng Index has a largest decline since the global financial crisis. The property market perform well in the first half of 2018, driven by low interest rate and limited supply. The property market then entered into a moderate consolidation phase in the second half of 2018 surrounded by external uncertainties.

BUSINESS REVIEW

Brokerage and Placing Commission

Brokerage & margin financing

The business are carried on through Instant Achieve Limited ("**IAL**"), a wholly-owned subsidiary of the Group, which in turn owned 100% equity interest in Central Wealth Securities Investment Limited ("**CWSI**") and Central Wealth Futures Limited ("**CWF**"). CWSI and CWF are incorporated in Hong Kong with limited liability and are carrying on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 5 (advising on futures contracts) regulated activities under the Securities and Futures Ordinance.

During the Year, the commission income from securities and futures dealing was approximately HK$21.0 million and the interest income from the securities margin financing was approximately HK$31.4 million. The Group will maintain its prudent credit policy and risk management approach with a view to achieve a sustainable business environment.

Debt capital market business

The business are carried on through IAL, which in turn owned 100% equity interest in CWSI. CWSI is incorporated in Hong Kong with limited liability and are carrying on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance.

The Group through CWSI has been providing debt capital market ("**DCM**") service to support debt financing need of China domiciled companies since July 2017. The Company has so far participated in 24 debt issues with roles of joint global coordinator, joint book-runner, joint lead manager or placing agent with an aggregate issue size of approximately US$3,602 million as at 31 December 2018. The debts are issued through either private or public offerings with coupon rates ranging from 5% to 10% per annum. According to the information published on Bloomberg as of 26 March 2019, CWSI ranked as the 64th manager in the issuance of offshore China bonds in the year of 2018 based on the issuance volume credited to each involved party. During the Year, the provision of DCM service has recorded an income of approximately HK$97.7 million. The Group will continue to strengthen our services in the coming year and broaden our service range with an aim to provide one stop service to our customers.

Asset management

The business are carried on through IAL, which in turn owned 100% equity interest in Central Wealth Asset Management Limited ("**CWAM**"). CWAM is incorporated in Hong Kong with limited liability and are carrying on business in type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

During the Year, the Group has kicked off the asset management business through CWAM. The asset management engages in provision of investment management services on diversified and comprehensive investment products including private funds and discretionary accounts to individual, corporate and institutional clients. Currently, our investment funds mainly focus on the China's bond market as it is the third largest in the world and offers attractive yield opportunities. It is expected that the market will continue to grow and transform with the rest of the economy, which the Group believes will become more capital market oriented and open to foreign investors. The assets under management have reached approximately US$197.1 million as at 31 December 2018.

Property Investments

The Group principally focuses on the luxury property investments in Hong Kong market and currently holds one luxury property located at No. 2 Lincoln Road, Kowloon Tong in Hong Kong ("**No. 2 Lincoln Road Property**"). The Group has disposed of a property located at No. 1 Lincoln Road, Kowloon Tong in Hong Kong ("**No. 1 Lincoln Road Property**") to Future World Financial Holdings Limited ("**FWF**") for the consideration shares of approximately HK$342.5 million and recorded a gain of approximately HK$65.6 million during the Year. For details, please refer to the announcements dated 29 December 2017, 22 January 2018, 12 February 2018, 12 March 2018, 16 March 2018 and 25 April 2018 and the circular of the Company dated 21 March 2018. During the Year, the rental income from No. 2 Lincoln Road Property was approximately HK$5.4 million. The Group will continue to monitor its property portfolio with an aim to generate the stable rental income and the capital appreciation.

Financial Investments and Services

Financial investments and trading

During the Year, the Hang Seng Index was volatile with fluctuations between 24,585 points and 33,154 points. Due to the unsatisfactory performance of global equity market, in particular the U.S. stock market, the Group recorded realized losses on disposal of equity investments at fair value through profit or loss of approximately HK$14.4 million.

Money lending business

During the Year, the interest income from the money lending business was approximately HK$31.6 million. The net balance of loan book recorded a decrease of approximately HK$177.3 million to approximately HK$299.5 million as compared to approximately HK$476.8 million as at 31 December 2017. The money lending business charged annual interest rates at a range from 5% to 12% (31 December 2017: range from 5% to 12%). The Group will continue to maintain its prudent credit policy and risk management approach with a view to achieve a sound financial management and sustainable business environment.

Prospects

Looking ahead, with the implementation of the belt and road initiative, the development of Guangdong-Hong Kong-Macau Greater Bay Area and the completion of several major infrastructure projects like the Hong Kong-Zhuhai-Macao Bridge and the Express Railway Link in the coming years, Hong Kong has great potential to create synergy with countries and cities nearby. Further, The Stock Exchange of Hong Kong Limited has announced new rules to encourage the new listings of biotech companies and companies with weighted voting rights structure. It is expected that Hong Kong will benefit from the new listing regime.

In the longer run, the listing platforms of the Mainland and Hong Kong will complement and supplement each other more on the back of the development of the Greater Bay Area, rise of more Chinese unicorns driving the new economy forward, and greater connectivity between the two capital markets.

Nonetheless, continuing political and economic uncertainties remain on a number of fronts. Trade tensions between the U.S. and China, as well as uncertainty of President Trump's policies could derail the global economic recovery. Besides, we shall not overlook the downside risks due to the expectation of US interest hike and the threat of geopolitical tension which continue to cloud the global economic recovery.

In the early 2019, the situation began to improve as the U.S. and China start to reach a compromise on the trade deal and the China's authorities had already announced stimulus measures. These include a series of tax cuts and lower the bank reserve requirement to boost small businesses and consumption.

In light of these macroeconomic challenges, the Group will continue to be stay alert, but positive, to pursue its prudent investment strategy in developing its existing and new businesses.

Financial Review

The Group for the Year recorded a revenue of approximately HK$174.5 million as compared to the revenue of approximately HK$228.1 million last period. The Group's revenue principally comprised the interest income from money lending business of approximately HK$31.6 million, commission income from provision of DCM service of approximately HK$97.7 million, the commission income from securities and futures dealing of approximately HK$21.0 million, interest income from securities margin financing of approximately HK$31.4 million and property rental income of approximately HK$6.7 million.

The Group's net loss for the Year was mainly attributable to (i) the impairment loss on investment in an associate of approximately HK$51.3 million; (ii) the share of loss of an associate of approximately HK$13.9 million; (iii) the impairment losses on other financial assets and contract assets of approximately HK$17.3 million. The Group recorded total comprehensive loss of approximately HK$1,119.2 million for the Year compared to the total comprehensive income of approximately HK$950.1 million for last period.

As at 31 December 2018, the Group's net asset value was approximately HK$1,848.8 million compared to the net asset value of approximately HK$2,723.9 million as at 31 December 2017. The consolidated net asset value per share of the Group as at 31 December 2018 was approximately HK$0.13 (31 December 2017: HK$0.21). The Group's total assets and total liabilities were approximately HK$2,890.9 million (31 December 2017: HK$4,228.6 million) and approximately HK$1,042.1 million (31 December 2017: HK$1,504.7 million). The decrease are mainly due to the fair value loss through other comprehensive income and share of other comprehensive loss of an associate.

Liquidity and Financial Resources

During the Year, the Group generally financed its operation with internally generated cash flow, overdrafts, bank and other borrowings and other fund raising activities. The Group's cash and bank balances as at 31 December 2018 were approximately HK$100.9 million (31 December 2017: HK$123.4 million).

As at 31 December 2018, the Group had bank overdrafts of approximately HK$45.1 million (31 December 2017: HK$59.5 million), interest-bearing bank borrowings of approximately HK$298.7 million (31 December 2017: HK$331.8 million), interest-bearing other borrowings of approximately HK$472.2 million (31 December 2017: HK$525.9 million) and non-current notes payable of approximately HK$86.6 million (31 December 2017: HK$86.6 million).

As at 31 December 2018, the Group's current ratio was approximately 1.14 times (31 December 2017: 1.65 times) based on current assets of approximately HK$914.4 million (31 December 2017: HK$2,072.5 million) and current liabilities of approximately HK$799.1 million (31 December 2017: HK$1,254.0 million). As at 31 December 2018, the Group has no capital commitment (31 December 2017: Nil). The Group also had no other contingent liabilities (31 December 2017: Nil).

Capital Structure

As at 31 December 2018, the Group's gearing ratio was approximately 48.82% (31 December 2017: 41.33%). Gearing ratio equals total borrowings divided by net asset value as at the end of the reporting period. The total borrowings of approximately HK$902.5 million includes bank and other borrowings, bank overdraft and notes payable.

The Group's bank balance, borrowings and interest payment are mainly denominated in Hong Kong and United States dollars. Most of the Group's revenue are made in Hong Kong dollars. Therefore, the exchange risks that the Group is exposed to are insignificant.

In June 2018, the Company placed a total of 2,000,000,000 shares at HK$0.1 per placing share representing 15.73% of its total issued capital at that time. The proceeds of HK$200.0 million was used for the repayment of loan. Detailed information was set out in the Company's announcements dated 21 May 2018 and 7 June 2018 respectively.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Significant Investments

As at 31 December 2018, the Group maintained a portfolio of equity investments including equity investments at fair value through other comprehensive income with total carrying amount of approximately HK$1,296.2 million. The details of the portfolio of equity investments as at 31 December 2018 are respectively set out as follows:

31 December 2018

Stock Code	Name of the investees	Percentage of shareholding in the listed securities held by the Group as at 31 December 2018	Percentage of the fair value of the investment in listed securities to total assets of the Group as at 31 December 2018	Fair value of the investment in listed securities as at 31 December 2018	Carrying value of the investment in listed securities as at 31 December 2018	Fair value gains/(losses) of the investment in listed securities as at 31 December 2018	Realised gain/ (loss) for the year ended 31 December 2018
				HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Equity investments at fair value through other comprehensive income							
1004	China Smarter Energy Group Holdings Limited	0.26%	0.68%	19,757	40,528	(20,771)	(40,872)
1141	CMBC Capital Holdings Limited	8.23%	44.15%	1,276,397	1,415,427	(139,030)	(4,607)
	Total			1,296,154	1,455,955	(159,801)	(45,479)

Performance and prospects of the investees

1. China Smarter Energy Group Holdings Limited ("China Smarter")

China Smarter together with its subsidiaries (the "**China Smarter Group**") are principally engaged in (i) clean energy business and (ii) investment business. As mentioned in its interim report for the six months ended 30 September 2018, the China Smarter Group recorded a total revenue and other income amount to approximately HK$800 million for the period. The China Smarter Group's reported a net loss of approximately HK$163 million attributable to shareholders of China Smarter. The basic and diluted loss per share are HK1.74 cents for the period. As at 30 September 2018, the unaudited consolidated net asset value of the China Smarter Group was approximately HK$1,688 million. No dividend was received during the Year.

The Paris Agreement came into effect in November 2016, which meant that the development of new energy will be further accelerated. The construction of a green, recycling and low-carbon energy system has become necessary for the social development, which provided a favorable social environment and a broad market for the development of renewable energy. The Company is optimistic about the long-term development of the clean energy industry, and thus is optimistic on the future prospect of China Smarter. The Group may realize the investments from time to time where to do so is to be in the best interests of the Group or where the terms on which such realization to be particularly favorable to the Group.

As at 31 December 2018, the Group held 24,696,000 shares of China Smarter. China Smarter closed at HK$0.8 as at 31 December 2018 as compared to HK$1.0 as at 29 December 2017.

2. CMBC Capital Holdings Limited ("CMBC")

CMBC together with its subsidiaries (the "**CMBC Group**") are principally engaged in (i) securities business, (ii) investment and financing and (iii) asset management and advisory business. As mentioned in its interim report for the six month ended 30 June 2018, the CMBC Group recorded a total revenue and other income of approximately HK$344.1 million for the period. The CMBC Group's reported a net profit of approximately HK$100.4 million attributable to shareholders of CMBC. The basic and diluted earnings per share were both HK0.22 cents. As at 30 June 2018, the unaudited consolidated net asset value of the CMBC Group was approximately HK$1,096.2 million. No dividend was received during the Year.

In May 2017, China Minsheng Banking Corp. Ltd. became the ultimate controlling shareholder of CMBC and since then the CMBC Group started its rapid development. Subsequently in August 2017 and October 2017, the CMBC Group acquired the entire issued share capital of CMBC Capital Finance Limited and CMBC International Capital Limited, respectively and as a result, the CMBC Group is licensed to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities, as well as the licensed money lending business and has all material licenses required for services expected to be required by most of its potential clients at current stage.

Leveraging on the strong reputation, expertise and capability of the China Minsheng Bank, and the licenses it possesses, the CMBC Group has achieved rapid growth in its financial performance. The Company has strong confidence in the experienced and competent management team of CMBC that they can lead CMBC to perform much better in the future and improve the earnings. The management of the Group considers the investment in CMBC is for long term purpose. However, the Group would not rule out the possibility of realizing the investments from time to time where to do so is to be in the best interests of the Group or where the terms on which such realization to be particularly favorable to the Group.

As at 31 December 2018, the Group held 3,927,375,829 shares of CMBC. CMBC closed at HK$0.325 as at 31 December 2018 as compared to HK$0.53 as at 29 December 2017.

DETAILS OF CHARGES ON ASSETS

As at 31 December 2018, the Group had pledged certain listed equity investments of approximately HK$1,276.4 million (31 December 2017: HK$1,925.7 million) to secure the other borrowings. As at 31 December 2018, the Group had pledged its investment properties with a carrying amount of approximately HK$435.0 million to secure the bank borrowings (31 December 2017: HK$830.0 million).

MATERIAL ACQUISITION AND DISPOSAL

Acquisition of Interest in FWF and Disposal of No. 1 Lincoln Road Property

During the year, the Group disposed of its entire interest in Goodview Assets Limited, an indirect wholly owned subsidiary of the Company, to FWF for the consideration shares of approximately HK$342.5 million. The sole asset of the disposal company is No. 1 Lincoln Road Property. The disposal was completed on 25 April 2018. Upon completion, the Group has acquired 18.78% interest in FWF and treated FWF as investment in an associate. Details of the acquisition and disposal were set out in the announcements of the Company dated 29 December 2017, 22 January 2018, 12 February 2018, 12 March 2018, 16 March 2018 and 25 April 2018, and the circular of the Company dated 21 March 2018.

EVENTS AFTER THE REPORTING PERIOD

Change of Company Name and Stock Short Name

To better reflect the current status of the Group's business and its direction of future development, the Company's English name has been changed to "Central Wealth Group Holdings Limited" and the Company's secondary name in Chinese has been changed to "中達集團控股有限公司". Shares have been traded on the Stock Exchange under the new stock short name "CENTRALWEALTHGP" in English and "中達集團控股" in Chinese, with effect from 11 February 2019. The stock code of the Company remains unchanged as "139".

For details, please refer to the announcements of the Company dated 29 November 2018, 27 December 2018 and 1 February 2019, and the circular of the Company dated 30 November 2018.

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 31 December 2018, the Group had a total of 78 employees. The Group is committed to staff training and development and structured training programs for all employees. Remuneration packages are maintained at a competitive level and reviewed on a periodic basis. Bonuses and share options are awarded to certain employees according to individual performance and industry practice.

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited throughout the Year except there is no separation of the roles of Chairman and Chief Executive as specified in code provision A.2.1 of the CG Code.

To achieve clear division of responsibilities between the management of the Board and the day-to-day management of the business and hence to ensure a balance of power and authority, there are separation of duties for the Group's Chairman and Chief Executive. The Group had been recruiting the appropriate candidate for the post of Chief Executive after the resignation of the former Chief Executive. On 27 February 2018, Mr. Xu Ke has been appointed as the Chief Executive Officer of the Company.

Detailed disclosure of the Company's corporate governance practices is included in the annual report of the Company for the Year.

AUDIT COMMITTEE

The Audit Committee of the Company meets at least twice a year to monitor and review the integrity and effectiveness of the Company's financial reporting. The Audit Committee has met with the external auditors of the Company, Ernst & Young, to review the accounting principles and practices adopted by the Group and the annual results of the Group for the Year. The Audit Committee has also discussed auditing, financial reporting matters and risk management and internal control systems of the Company. The Audit Committee comprises the three independent non-executive directors of the Company, namely, Mr. Kwok Chi Kwong (Chairman of the Audit Committee), Mr. Chen Youchun and Mr. Wu Ming.

SCOPE OF WORK OF ERNST & YOUNG ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's independent 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 HKICPA and consequently, no assurance has been expressed by Ernst & Young on the preliminary announcement.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

DIRECTORS OF THE COMPANY

As at the date hereof, the Board comprises four executive directors namely, Mr. Chen Xiaodong (Chairman), Mr. Xu Ke (Chief Executive Officer), Mr. Yu Qingrui and Ms. Lam Hay Yin and three independent non-executive directors namely, Mr. Kwok Chi Kwong, Mr. Chen Youchun and Mr. Wu Ming.

By order of the Board
Central Wealth Group Holdings Limited
Chen Xiaodong
Chairman

Hong Kong, 26 March 2019