



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Ms. ZHENG Juhua (*Chairlady*)  
Mr. CHAN Chi Yuen (*Chief Executive Officer*)

#### Independent Non-executive Directors

Mr. MAN Kwok Leung  
Mr. YU Pak Yan, Peter  
Mr. CHI Chi Hung, Kenneth

### COMPANY SECRETARY

Ms. CHAN Wai Fung

### AUDIT COMMITTEE

Mr. CHI Chi Hung, Kenneth (*Chairman*)  
Mr. MAN Kwok Leung  
Mr. YU Pak Yan, Peter

### REMUNERATION COMMITTEE

Mr. YU Pak Yan, Peter (*Chairman*)  
Mr. MAN Kwok Leung  
Mr. CHI Chi Hung, Kenneth

### NOMINATION COMMITTEE

Mr. MAN Kwok Leung (*Chairman*)  
Mr. YU Pak Yan, Peter  
Mr. CHI Chi Hung, Kenneth  
Ms. ZHENG Juhua

### AUDITOR

Lau & Au Yeung C.P.A. Limited

### PRINCIPAL BANKERS

The Bank of East Asia Limited  
OCBC Wing Hang Bank Limited  
Bank of Communication (Hong Kong) Limited  
Bank of China (Hong Kong) Limited

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2202, 22/F., China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
4th Floor North Cedar House  
41 Cedar Avenue  
Hamilton HM12  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### STOCK CODE

2322

### WEBSITE

<http://www.chaoshang.hk>



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The board (the "Board") of directors (the "Directors") of Hong Kong ChaoShang Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2020 together with the comparative figures for the corresponding period in 2019. The unaudited condensed consolidated financial statements have been reviewed by the Company's audit committee.

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Notes	Six months ended 30 September	
		2020 HK\$'000 Unaudited	2019 HK\$'000 Unaudited Restated
CONTINUING OPERATIONS			
Revenue	3	<b>186,478</b>	102,607
Cost of sales		<b>(128,081)</b>	(79,689)
Gross profit		<b>58,397</b>	22,918
Other income	5	<b>4,119</b>	1,808
Gain on changes in fair value of other financial assets		<b>2,214</b>	–
Realised (loss)/gain on held-for-trading investments		<b>(540)</b>	3,959
Loss on changes in fair value of held-for-trading investments		<b>(8,847)</b>	(17,278)
Impairment loss on finance lease receivables		–	(233)
Impairment loss on loan and interest receivables		<b>(11,330)</b>	(100)
Impairment loss on factoring and interest receivables		<b>(233)</b>	–
(Impairment loss)/Reversal of impairment loss on trade and account receivables		<b>(15,540)</b>	256
Administrative expenses		<b>(40,562)</b>	(18,557)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Notes	Six months ended 30 September	
		2020 HK\$'000 Unaudited	2019 HK\$'000 Unaudited Restated
Operating loss from continuing operations		<b>(12,322)</b>	(7,227)
Finance costs	7	<b>(1,680)</b>	(398)
Loss before taxation from continuing operations	6	<b>(14,002)</b>	(7,625)
Taxation	8	<b>329</b>	(4,559)
Loss for the period from continuing operations		<b>(13,673)</b>	(12,184)
DISCONTINUED OPERATION			
Loss for the period from a discontinued operation	10	–	(26)
Loss for the period		<b>(13,673)</b>	(12,210)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation		<b>29,125</b>	(38,673)
Total comprehensive income/(loss) for the period		<b>15,452</b>	(50,883)
Loss for the period attributable to:			
Owners of the Company		<b>(14,026)</b>	(11,603)
Non-controlling interests		<b>353</b>	(607)
Loss for the period		<b>(13,673)</b>	(12,210)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	<b>Six months ended</b>	
	<b>30 September</b>	
<i>Notes</i>	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Unaudited Restated
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	<b>15,625</b>	(50,966)
Non-controlling interests	<b>(173)</b>	83
	<b><u>15,452</u></b>	<u>          </u>
Total comprehensive income/(loss) for the period	<b><u>15,452</u></b>	<u>(50,883)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		
<b>Basic and diluted</b>		
– For loss for the period	11 <b><u>HK(0.34) cents</u></b>	<u>HK(0.32) cents</u>
– For loss from the continuing operations	11 <b><u>HK(0.34) cents</u></b>	<u>HK(0.32) cents</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

		<b>30 September 2020</b>	31 March 2020
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>Unaudited</b>	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>46,956</b>	47,903
Investment property		<b>44,916</b>	42,946
Right-of-use assets		<b>16,693</b>	23,438
Intangible assets		<b>21,500</b>	21,500
Goodwill		<b>76,695</b>	76,695
Deferred tax assets		<b>6,054</b>	–
Other non-current assets		<b>230</b>	230
Other financial assets		<b>2,809</b>	356
Finance lease receivables	12	<b>46,733</b>	65,011
		<b>262,586</b>	278,079
<b>Current assets</b>			
Trade and account receivables	13	<b>344,422</b>	294,174
Factoring and interest receivables	14	<b>52,301</b>	26,762
Finance lease receivables	12	<b>101,672</b>	110,867
Loan and interest receivables	15	<b>73,505</b>	72,951
Deposits, prepayments and other receivables		<b>21,938</b>	24,945
Tax recoverable		–	10
Held-for-trading investments		<b>7,829</b>	17,100
Cash held on behalf of clients		<b>42,047</b>	35,787
Cash and bank balances	16	<b>238,639</b>	183,430
		<b>882,353</b>	766,026
<b>Total assets</b>		<b>1,144,939</b>	1,044,105
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	17	<b>82,412</b>	82,412
Reserves		<b>840,115</b>	824,490
Total equity attributable to owners of the Company		<b>922,527</b>	906,902
Non-controlling interests		<b>(11,850)</b>	(11,677)
<b>Total equity</b>		<b>910,677</b>	895,225

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2020

	30 September 2020 <i>Notes</i>	<b>HK\$'000</b> <b>Unaudited</b>	31 March 2020 <i>HK\$'000</i> Audited
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bond payable		–	7,800
Retained consideration payable		<b>25,886</b>	33,301
Lease liabilities		<b>4,066</b>	10,333
Contract liabilities		–	37
Deferred tax liabilities		<b>5,367</b>	5,283
		<b>35,319</b>	56,754
<b>Current liabilities</b>			
Account payables	18	<b>56,312</b>	35,223
Accruals, other payables and deposit received	19	<b>98,633</b>	27,237
Bond and interest payable		<b>7,878</b>	78
Retained consideration payable		<b>8,330</b>	–
Contract liabilities		<b>399</b>	893
Lease liabilities		<b>13,045</b>	13,450
Amount due to a director	20	<b>539</b>	2,286
Amount due to non-controlling interests	21	<b>244</b>	233
Tax payables		<b>13,563</b>	12,726
		<b>198,943</b>	92,126
<b>Total liabilities</b>		<b>234,262</b>	148,880
<b>Total equity and liabilities</b>		<b>1,144,939</b>	1,044,105
<b>Net current assets</b>		<b>683,410</b>	673,900
<b>Total assets less current liabilities</b>		<b>945,996</b>	951,979

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Attributable to owners of the Company							Attributable to non-controlling interests		Total
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Surplus reserve HK\$'000	Property revaluation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Share of net assets of a subsidiary HK\$'000	
<b>For the six months ended 30 September 2020</b>										
At 1 April 2020	82,412	1,000,745	34,178	(68,420)	6,362	7,245	(155,620)	906,902	(11,677)	895,225
<b>Comprehensive income</b>										
Loss for the period	-	-	-	-	-	-	(14,026)	(14,026)	353	(13,673)
<b>Other comprehensive income</b>										
Exchange difference on translation of financial statements of foreign operations	-	-	-	29,651	-	-	-	29,651	(526)	29,125
<b>Transactions with owners</b>										
Transfer to statutory reserve	-	-	-	-	1,077	-	(1,077)	-	-	-
At 30 September 2020	82,412	1,000,745	34,178	(38,769)	7,439	7,245	(170,723)	922,527	(11,850)	910,677
<b>For the six months ended 30 September 2019</b>										
At 1 April 2019	73,612	795,408	34,178	(21,169)	4,654	7,245	(134,443)	759,485	(11,187)	748,298
<b>Comprehensive income</b>										
Loss for the period	-	-	-	-	-	-	(11,603)	(11,603)	(607)	(12,210)
<b>Other comprehensive income</b>										
Exchange difference on translation of financial statements of foreign operations	-	-	-	(39,363)	-	-	-	(39,363)	690	(38,673)
<b>Transactions with owners</b>										
Write-off of assets on deregistration of a subsidiary	-	-	-	(24)	-	-	-	(24)	-	(24)
At 30 September 2019	73,612	795,408	34,178	(60,556)	4,654	7,245	(146,046)	708,495	(11,104)	697,391



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	<i>Notes</i>	<b>Six months ended</b>	
		<b>2020</b>	2019
		<b>HK\$'000</b>	HK\$'000
		<b>Unaudited</b>	Unaudited
Net cash generated from operating activities		<b>34,540</b>	32,817
Net cash generated from investing activities		<b>769</b>	5,754
Net cash (used in)/generated from financing activities		<b>(9,184)</b>	3,711
Increase in cash and cash equivalents		<b>26,125</b>	42,282
Cash and cash equivalents at beginning of period		<b>183,430</b>	140,293
Effect of foreign exchange rate changes, net		<b>29,084</b>	(33,607)
Cash and cash equivalents at end of period	<i>16</i>	<b>238,639</b>	148,968

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 General information

Hong Kong ChaoShang Group Limited (the “Company”) is a limited liability company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of the Company’s business in Hong Kong is situated at Suite 2202, 22/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (together, the “Group”) are principally engaged in trading, money lending, factoring, finance leasing and was further expanded into financial services through the completion of the acquisition of a company and its subsidiaries which hold licences to carry on Type 1, 2, 4 and 9 regulated activities as defined under the Securities and Futures Ordinance (the “SFO”) on 31 December 2019. The Group also ceased and discontinued the vessel chartering business during the year ended 31 March 2020.

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) unless otherwise stated. These unaudited condensed consolidated financial statements have been reviewed by the audit committee and approved for issue by the Board of the Company on 27 November 2020.

### 2 Basis of preparation

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2020.

These unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for investment property, held-for-trading investments and other financial assets, which have been measured at fair value.

The accounting policies adopted for preparation of these unaudited condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2020 except as disclosed below.

## 2 Basis of preparation (Continued)

### (a) New and amended standards adopted by the Group

During the period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2020.

HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKAS 39, HKFRS 7 and HKFRS 9 (Amendments)	Interest Rate Benchmark Reform
HKFRS 3 (Amendments)	Definition of a Business
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

Except for the amendments to HKAS 39, HKFRSs 7 and 9, which are not relevant to the preparation of the Group's unaudited condensed consolidated financial statements, the nature and the impact of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) are described below:

#### **Amendments to HKASs 1 and 8**

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the Group's unaudited condensed consolidated financial statements.

#### **Amendments to HKFRS 3**

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 April 2020. The amendments did not have any impact on the financial position and performance of the Group.

## 2 Basis of preparation (Continued)

### (a) New and amended standards adopted by the Group (Continued) *Conceptual Framework for Financial Reporting 2018*

*The New Framework:*

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for the Group's annual period beginning on or after 1 April 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

### (b) Accounting policies newly applied by the Group

In addition, the Group has applied the following accounting policies which became relevant to the Group in the current period.

#### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants relate to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

## 2 Basis of preparation (Continued)

### (c) New and amended standards not yet adopted

The following new and amended standards and interpretations have been issued but are not effective for the financial period beginning 1 April 2020 and have not been early adopted.

HKAS 1 (Amendments)	Classification of Liabilities as Current and Non-current <sup>3</sup>
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41 (Amendments)	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>
HKFRS 3 (Amendments)	Reference to the Conceptual Framework <sup>2</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
HKFRS16 (Amendments)	COVID-19-Related Rent Concession <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
Annual Improvements 2018-2020 Cycle	Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 June 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>4</sup> The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred or removed. Early adoption of the amendments continue to be permitted.

The Group is in the process of making a detailed assessment of the possible impact on the future adoption of the new/revised HKFRSs. So far the management is of the opinion that the adoption of the new/revised HKFRSs will not have any significant impact on these unaudited condensed consolidated financial statements.

### 3 Revenue from continuing operations

Revenue represents (i) net invoiced value of goods sold, after allowances for returns and trade discount; (ii) interest income from money lending, factoring, finance leasing and margin financing; (iii) consultancy fee and handling fee income from finance leasing; (iv) brokerage commission income from securities dealing; (v) underwriting and placing commission income; and (vi) asset management fee income.

An analysis of the Group's revenue for the period is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Unaudited
		Restated
Sales of goods	<b>131,091</b>	81,453
Interest income from money lending, factoring, finance leasing and margin financing	<b>22,430</b>	20,485
Consultancy fee and handling fee income from finance leasing*	<b>2,417</b>	669
Asset management fee income	<b>31</b>	–
Brokerage commission income from securities dealings	<b>2,592</b>	–
Underwriting and placing commission income	<b>27,917</b>	–
	<b>186,478</b>	102,607

#### **Revenue from contracts with customers within HKFRS 15:**

*Recognised at a point of time*

Sales of goods	<b>131,091</b>	81,453
Consultancy fee and handling fee income from finance leasing*	<b>2,417</b>	669
Brokerage commission income from securities dealings	<b>2,592</b>	–
Underwriting and placing commission income	<b>27,917</b>	–
	<b>164,017</b>	82,122

*Recognised over time*

Asset management fee income	<b>31</b>	–
	<b>164,048</b>	82,122

#### **Revenue from other sources:**

Interest income from money lending, factoring,  
finance leasing and margin financing calculated  
using effective interest method

	<b>22,430</b>	20,485
	<b>186,478</b>	102,607

### 3 Revenue from continuing operations (Continued)

- \* Contract liabilities primarily relate to the Group's unfulfilled performance obligations to transfer goods or services to customers for which consideration has been received at the reporting date. The contract liability is recognised in revenue in the period when performance obligations are fulfilled.

During the period, the Group recognised revenue of approximately HK\$527,000 (six months ended 30 September 2019: approximately HK\$670,000) from consultancy fee income that was included in contract liabilities at the beginning of the period.

As at 30 September 2020, an aggregated amount of transaction price allocated to the remaining performance obligation under the Group's existing contracts is approximately HK\$399,000 (31 March 2020: approximately HK\$930,000). This amount represents revenue expected to be recognised in the future from the consultancy contracts entered into with the Group's customers. The Group will recognise the expected revenue in future when or as the work is completed which is expected to occur over the next one year (31 March 2020: one to two years).

### 4 Segment information

The chief operating decision-maker has been identified as the Board of the Company. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group's operating businesses are structured and managed separately according to the nature of the operations. Each of the Group's reportable operating segments represents a strategic business unit that is subject to risks and returns that are different from other reportable operating segment.

During the year ended 31 March 2020, the Group expanded its business into financial services and discontinued the business of vessel chartering. Certain comparative segment information related to the vessel chartering is classified as "loss for the period from a discontinued operation" in the unaudited condensed consolidated statement of profit or loss. The impact of the changes in the Group's reportable operating segments for the six months ended 30 September 2019 is considered retrospectively and the Group's operating segment information is restated. Furthermore, certain comparative segment information has been represented to conform with changes in measurement of segment profit or loss during the six months ended 30 September 2020.

The Group's reportable and operating segments are as follows:

- Trading segment engaged in trading of goods in the PRC;
- Money lending and factoring segment engaged in provision of loan financing in Hong Kong, loan and factoring financing in the PRC;
- Finance leasing segment engaged in provision of finance leasing and sale-leaseback in the PRC; and
- Financial services segment engaged in provision of securities dealing broking, placing, underwriting, margin financing and asset management services in Hong Kong.

#### 4 Segment information (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of incomes or expenses which are not recurring in nature and unrelated to the Group's operating performance, including central administration costs, directors' emoluments, gain on changes in fair value of other financial assets, loss on changes in fair value of held-for-trading investments, realised gain/(loss) on disposal of held-for-trading investments, finance costs, exchange gain/(loss), rental income and interest income from cash and bank balances.

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to operating segments other than investment property, held-for-trading investments, other financial assets, deferred tax assets, cash and bank balances and other corporate assets. All liabilities are allocated to operating segments other than retained consideration payable, bond and interest payable, amount due to a director, tax payables, deferred tax liabilities and other corporate liabilities.

##### (a) Segment revenue and results

Segment revenue and results	Six months ended 30 September 2020				Total HK\$'000 Unaudited
	Trading HK\$'000 Unaudited	Money lending and factoring HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	Financial services HK\$'000 Unaudited	
Segment revenue	131,091	8,494	9,430	37,463	186,478
Segment results	(780)	(4,219)	6,468	2,991	4,460
Corporate expenses					(13,163)
Operating loss					(8,703)
Corporate income					3,554
Gain on changes in fair value of other financial assets					2,214
Realised loss on held-for-trading investments					(540)
Loss on changes in fair value of held-for-trading investments					(8,847)
Finance costs					(1,680)
Loss before taxation					(14,002)
Taxation					329
Loss for the period					(13,673)



**4 Segment information (Continued)**  
**(a) Segment revenue and results (Continued)**

	Six months ended 30 September 2019					Total HK\$'000 Unaudited
	Continuing operations			Discontinued operation		
	Trading HK\$'000 Unaudited	Money lending and factoring HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	Sub-total HK\$'000 Unaudited	Vessel chartering HK\$'000 Unaudited	
Segment revenue and results						
Segment revenue	81,453	6,507	14,647	102,607	1,763	104,370
Segment results	1,003	3,482	11,076	15,561	(43)	15,518
Corporate expenses				(11,185)	–	(11,185)
Operating profit/(loss)				4,376	(43)	4,333
Corporate income				1,716	17	1,733
Realised gain on held-for-trading investments				3,959	–	3,959
Loss on changes in fair value of held-for-trading investments				(12,278)	–	(12,278)
Finance costs				(398)	–	(398)
Loss before taxation				(7,625)	(26)	(7,651)
Taxation				(4,559)	–	(4,559)
Loss for the period				(12,184)	(26)	(12,210)

#### 4 Segment information (Continued)

##### (b) Segment assets and liabilities

Segment assets and liabilities	As at 30 September 2020 and six months ended 30 September 2020				
	Trading HK\$'000 Unaudited	Money lending and factoring HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	Financial services HK\$'000 Unaudited	Total HK\$'000 Unaudited
Non-current assets					
Property, plant and equipment	1,257	228	35,285	9,342	46,112
Right-of-use assets	-	-	-	12,586	12,586
Goodwill	-	-	1,000	75,695	76,695
Other non-current assets	-	-	-	230	230
Intangible assets	-	-	-	21,500	21,500
Finance lease receivables	-	-	46,733	-	46,733
	<u>1,257</u>	<u>228</u>	<u>83,018</u>	<u>119,353</u>	<u>203,856</u>
Current assets	<u>217,304</u>	<u>126,347</u>	<u>103,147</u>	<u>184,495</u>	<u>631,293</u>
<b>Segment assets</b>	<b><u>218,561</u></b>	<b><u>126,575</u></b>	<b><u>186,165</u></b>	<b><u>303,848</u></b>	<b><u>835,149</u></b>
<b>Unallocated:</b>					
Cash and bank balances					238,639
Others					71,151
Total assets per statement of financial position					<u>1,144,939</u>
<b>Segment liabilities</b>	<b><u>3,803</u></b>	<b><u>1,072</u></b>	<b><u>18,916</u></b>	<b><u>141,389</u></b>	<b><u>165,180</u></b>
<b>Unallocated:</b>					
Amount due to a director					539
Others					68,543
Total liabilities per statement of financial position					<u>234,262</u>
<b>Other segment information</b>					
Capital expenditure	-	-	-	275	275
Unallocated capital expenditure					33
					<u>308</u>
Depreciation					
- Right-of-use assets	-	-	-	4,528	4,528
- Property, plant and equipment	174	44	754	1,498	2,470
Unallocated depreciation					1,970
					<u>8,968</u>
Impairment loss on trade and account receivables	2,292	-	-	13,248	15,540
Impairment loss on loan and interest receivables	-	11,330	-	-	11,330
Impairment loss on factoring and interest receivables	-	233	-	-	233

**4 Segment information (Continued)**  
**(b) Segment assets and liabilities (Continued)**

	As at 30 September 2019 and six months ended 30 September 2019				Discontinued operation	Total HK\$'000 Unaudited	
	Continuing operations			Sub-total HK\$'000 Unaudited			Vessel chartering HK\$'000 Unaudited
	Trading HK\$'000 Unaudited	Money lending and factoring HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited				
Segment assets and liabilities							
Non-current assets							
Property, plant and equipment	397	1,403	36,354	38,154	12,753	50,907	
Goodwill	-	-	1,000	1,000	-	1,000	
Finance lease receivables	-	-	86,794	86,794	-	86,794	
	<u>397</u>	<u>1,403</u>	<u>124,148</u>	<u>125,948</u>	<u>12,753</u>	<u>138,701</u>	
Current assets	<u>152,302</u>	<u>93,350</u>	<u>113,561</u>	<u>359,213</u>	<u>436</u>	<u>359,649</u>	
<b>Segment assets</b>	<b><u>152,699</u></b>	<b><u>94,753</u></b>	<b><u>237,709</u></b>	<b><u>485,161</u></b>	<b><u>13,189</u></b>	<b>498,350</b>	
<b>Unallocated:</b>							
Cash and bank balances						148,968	
Others						<u>117,588</u>	
Total assets per statement of financial position						<u>764,906</u>	
<b>Segment liabilities</b>	<b><u>3,262</u></b>	<b><u>553</u></b>	<b><u>20,759</u></b>	<b><u>24,574</u></b>	<b><u>13,544</u></b>	<b>38,118</b>	
<b>Unallocated:</b>							
Amount due to a director						2,600	
Others						<u>26,797</u>	
Total liabilities per statement of financial position						<u>67,515</u>	
<b>Other segment information</b>							
Capital expenditure	384	569	17	970	-	970	
Unallocated capital expenditure						<u>5</u>	
						<u>975</u>	
Depreciation	2	122	932	1,056	461	1,517	
Unallocated depreciation						<u>2,117</u>	
						<u>3,634</u>	
Reversal of impairment loss on trade receivables	(256)	-	-	(256)	-	(256)	
Impairment loss on loan and interest receivables	-	100	-	100	-	100	
Impairment loss on finance lease receivables	-	233	-	233	-	233	

#### 4 Segment information (Continued)

- (c) Revenue from continuing operations derived from the major customers contributed 10% or more of the total revenue of the Group are as follows:

	Six months ended 30 September	
	2020 <i>HK\$'000</i> Unaudited	2019 <i>HK\$'000</i> Unaudited
Customer A	–	33,319
Customer B	<b>50,319</b>	26,979
Customer C	–	21,155
Customer D	<b>34,286</b>	–
	<b>84,605</b>	<b>81,453</b>

The above customers are customers of trading business.

#### (d) Geographical information

The Group's revenue from external customers of continuing operations and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	Six months ended 30 September		As at 30 September	As at 31 March
	2020 <i>HK\$'000</i> Unaudited	2019 <i>HK\$'000</i> Unaudited	2020 <i>HK\$'000</i> Unaudited	2020 <i>HK\$'000</i> Audited
PRC	<b>145,512</b>	100,008	<b>131,224</b>	143,505
Hong Kong	<b>40,966</b>	2,599	<b>131,362</b>	134,574
	<b>186,478</b>	<b>102,607</b>	<b>262,586</b>	<b>278,079</b>

The geographical location of customers is based on the location at which the goods/services delivered. The geographical location of the non-current assets is based on the location of the assets.

**5 Other income from continuing operations**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	<i>HK\$'000</i>
	<b>Unaudited</b>	Unaudited
		Restated
Exchange gain, net	–	612
Bank interest income	<b>650</b>	341
Rental income	<b>1,953</b>	622
Government grants	<b>880</b>	–
Others	<b>636</b>	233
	<b>4,119</b>	1,808

**6 Loss before taxation from continuing operations**

The Group's loss before taxation from continuing operations has been arrived at after charging/(crediting):

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	<i>HK\$'000</i>
	<b>Unaudited</b>	Unaudited
		Restated
Cost of inventories sold	<b>127,890</b>	79,419
Salaries and wages included in administrative expenses:		
Directors' emoluments		
(including contribution to defined contribution plans)	<b>2,826</b>	2,826
Salaries, wages and other benefits		
(excluding directors' emoluments)	<b>9,755</b>	4,833
Contribution to defined contribution plans		
(excluding directors)	<b>312</b>	384
	<b>12,893</b>	8,043
Auditor's remuneration	–	81
Depreciation of property, plant and equipment	<b>2,680</b>	1,326
Depreciation of right-of-use-assets	<b>6,288</b>	1,847
Property rental expenses in respect of short-term lease	<b>150</b>	144
Realised loss/(gain) on held-for-trading investments	<b>540</b>	(3,959)
Gain on changes in fair value of other financial asset	<b>(2,214)</b>	–
Loss on changes in fair value of held-for-trading investments	<b>8,847</b>	17,278
Impairment loss on finance lease receivables	–	233
Impairment loss on loan and interest receivables	<b>11,330</b>	100
Impairment loss on factoring and interest receivables	<b>233</b>	–
Impairment loss/(Reversal of impairment loss) on trade and account receivables	<b>15,540</b>	(256)

**7 Finance costs**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Unaudited
Interest on bond payable	<b>156</b>	144
Interest on lease liabilities	<b>572</b>	238
Interest on retained consideration payable	<b>915</b>	–
Others	<b>37</b>	16
	<b>1,680</b>	398

**8 Taxation**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Unaudited
Current income tax		
– Hong Kong profits tax	<b>2,681</b>	24
– PRC corporation income tax	<b>2,960</b>	4,535
	<b>5,641</b>	4,559
Deferred tax	<b>(5,970)</b>	–
	<b>(329)</b>	4,559
Tax (income)/expenses are attributed to:		
Loss from continuing operations	<b>(329)</b>	4,559
Loss from discontinued operations	–	–
	<b>(329)</b>	4,559

**Hong Kong profits tax**

Under the two-tier profits tax rates regime effective from March 2018, Hong Kong profits tax has been provided at the rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits of the qualifying entity of the Group and 16.5% on the estimated assessable profits above HK\$2,000,000. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

**PRC corporate income tax**

The PRC corporate income tax in respect of operations in the PRC is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

**8 Taxation (Continued)****Withholding tax on distributed/undistributed profits**

The PRC tax law imposes a withholding tax at 10%, unless reduced by a tax treaty, for dividends distributed by PRC subsidiaries to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008.

Deferred taxation has not been provided in the unaudited condensed consolidated financial statements in respect of the temporary difference attributable to retained profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not release in the foreseeable future.

**9 Interim dividends**

The Directors do not recommend the payment of interim dividends for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

**10 Discontinued operation**

During the year ended 31 March 2020, the Group ceased and discontinued its vessel chartering business operated by 汕頭市仁瑞船務有限公司 (the "NC Shipping"), an indirect wholly-owned subsidiary of the Company, through the disposal of this subsidiary. The disposal of NC Shipping was completed on 20 March 2020 and the vessel chartering business was classified as a discontinued operation.

The results of the vessel chartering business for the six months ended 30 September 2019 is as follows:

	<b>Six months ended 30 September 2019</b>
	<i>HK\$'000</i>
	Unaudited
Revenue	1,763
Cost of sales	(1,560)
Gross profit	203
Other income	17
Administrative expenses	(246)
Loss before tax from discontinued operation	(26)
Taxation	—
Loss after tax from discontinued operation	(26)

## 11 Loss per share

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Unaudited Restated
Loss attributable to shareholders		
– from continuing operations	<b>(14,026)</b>	(11,577)
– from discontinued operation	–	(26)
	<b><u>(14,026)</u></b>	<u>(11,603)</u>
Weighted average number of ordinary shares, for the purposes of calculating basic loss per share (shares in thousands)	<b><u>4,120,600</u></b>	<u>3,680,600</u>
Basic and diluted loss per share		
– from continuing operations	<b>HK\$(0.34) cents</b>	HK\$(0.32) cents
– from discontinued operation	–	–*
	<b><u>HK\$(0.34) cents</u></b>	<u>HK\$(0.32) cents</u>

As there are no dilutive potential ordinary shares outstanding as at 30 September 2020 and 2019, the diluted loss per share is equal to the basic loss per share.

\* Amount presented as nil due to rounding.



## 12 Finance lease receivables

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Current portion of finance lease receivables	<b>102,268</b>	111,437
Non-current portion of finance lease receivables	<b>47,078</b>	65,341
	<b>149,346</b>	176,778
Less: Impairment loss	<b>(941)</b>	(900)
	<b>148,405</b>	175,878

\* The current portion of finance lease receivables included an amount of HK\$228,000 (31 March 2020: HK\$436,000), being handling fee receivables in respect of the finance leases.

	<b>Minimum finance lease receivables</b>		<b>Present value of minimum finance lease receivables</b>	
	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Within one year	<b>112,004</b>	123,164	<b>101,672</b>	110,867
In the second to fifth years, inclusive	<b>50,881</b>	72,092	<b>46,733</b>	65,011
	<b>162,885</b>	195,256	<b>148,405</b>	175,878
Less: Unearned finance income	<b>(14,480)</b>	(19,378)	<b>N/A</b>	N/A
Present value of minimum finance lease receivables	<b>148,405</b>	175,878	<b>148,405</b>	175,878
Less: Current portion of finance lease receivables			<b>(101,672)</b>	(110,867)
Non-current portion of finance lease receivables			<b>46,733</b>	65,011

**12 Finance lease receivables (Continued)**

The movement of provision for impairment of finance lease receivables is as follows:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
At beginning of the reporting period	<b>900</b>	534
Provision for impairment	–	414
Currency translation difference	<b>41</b>	(48)
	<hr/>	<hr/>
At end of the reporting period	<b>941</b>	900
	<hr/>	<hr/>

As at 30 September 2020 and 31 March 2020, the finance lease receivables, except for the handling fee receivables, were secured over the leased assets mainly by machineries and equipment. The finance lease receivables are denominated in RMB. The maturity date for each finance lease contract is normally not more than 5 years. The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rate is approximately 9% to 15% (31 March 2020: 9% to 15%) per annum. The maximum exposure to credit risk at each of the end of the reporting period is the carrying value of the finance lease receivables.

There was no unguaranteed residual values of assets leased under finance leases as at 30 September 2020 and 31 March 2020. The Group applies the simplified approach to provide lifetime expected credit loss (the "ECL") prescribed by HKFRS 9 for finance lease receivables. The management assessed the expected loss on all finance lease receivables individually and the credit quality of finance lease receivables has been assessed by reference to historical information about counterparty default rates.

**13 Trade and account receivables**

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Receivables arising from securities broking business:		
– Cash client receivables	<b>9,363</b>	267
– Loans to margin clients	<b>114,297</b>	112,638
– Clearing houses	<b>18,481</b>	444
	<b>142,141</b>	113,349
Less: Impairment loss	<b>(13,411)</b>	(164)
	<b>128,730</b>	113,185
Receivables arising from asset management business	–	43
Receivables arising from trading business	<b>242,463</b>	241,198
	<b>242,463</b>	241,241
Less: Impairment loss	<b>(26,771)</b>	(60,252)
	<b>215,692</b>	180,989
Total trade and account receivables	<b>344,422</b>	294,174

**Receivables arising from trading business**

The Group's trade receivables are generally with credit periods of 60 to 120 days (31 March 2020: 60 to 120 days).

**Receivables arising from securities broking**

With regard to receivables arising from securities broking, the Group seeks to maintain tight control over its outstanding receivables and has procedures and policies to assess its clients' credit quality and define credit limits for each client. All client acceptances and credit limits are approved by designated approvers according to the clients' credit quality.

The normal settlement term of cash clients and clearing houses receivables arising from the ordinary course of business of securities broking is two trading days after the trade date.

Loans to margin clients are secured by the underlying pledged securities, repayable on demand and bear interest at commercial rates. As at 30 September 2020, the total market value of securities pledged as collateral in respect of the loans to margin clients amounted to approximately HK\$143,161,000 (31 March 2020: HK\$471,436,000). Securities are assigned with specific margin ratios for calculating their margin values.

**13 Trade and account receivables (Continued)****Receivables arising from asset management business**

There are no credit terms granted to clients for its asset management business.

The maximum exposure to credit risk at each of the end of the reporting period is the carrying amount value of the trade and account receivables. Except for the receivables arising from securities broking, the Group does not hold any collateral as security.

The carrying amounts of trade and account receivables are denominated in following currencies:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
HK\$	<b>128,730</b>	113,228
RMB	<b>215,692</b>	180,946
	<b><u>344,422</u></b>	<u>294,174</u>

An aged analysis of receivables arising from trading and asset management, net of allowance for impairment, at the end of the reporting period, based on the date of invoice (or date of revenue recognition, if earlier), is as follows:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
0 to 30 days	<b>35,639</b>	23,277
31 to 60 days	<b>29,974</b>	5,941
61 to 90 days	<b>18,780</b>	33,345
91 to 180 days	<b>31,526</b>	3,399
More than 180 days	<b>99,773</b>	115,027
	<b><u>215,692</u></b>	<u>180,989</u>

No ageing analysis of cash client receivables and loans to margin clients is disclosed as in the opinion of the Directors, the ageing analysis is not meaningful in view of the nature of the cash client receivables arising from securities broking and the revolving margin loans.

The Group applies the simplified approach to provide lifetime ECL prescribed by HKFRS 9 for all trade and account receivables. The management assessed the expected loss on trade and account receivables individually.

**13 Trade and account receivables (Continued)****Receivables arising from asset management business (Continued)**

The individually impaired trade and account receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions and are adjusted for forward-looking information that is available without undue cost or effort.

The movement of provision for impairment of trade and account receivables is as follows:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
At beginning of the reporting period	<b>60,416</b>	61,990
Acquisition of subsidiaries	–	780
Provision for impairment	<b>15,540</b>	1,953
Written off	<b>(38,599)</b>	–
Currency translation difference	<b>2,825</b>	(4,307)
	<b>40,182</b>	60,416

**14 Factoring and interest receivables**

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Factoring receivables	<b>52,212</b>	27,032
Interest receivables	<b>611</b>	–
	<b>52,823</b>	27,032
Less: Impairment loss	<b>(522)</b>	(270)
	<b>52,301</b>	26,762

The carrying amounts of factoring and interest receivables are denominated in RMB.

Factoring receivables are interest-bearing at 7% to 13% (31 March 2020: 13%) and are repayable with fixed terms agreed with the Group's customers. The maturity date for each factoring contract is normally not more than one year (31 March 2020: 180 days) and is secured, among others, by the customer's trade receivables. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the factoring and interest receivables mentioned above.

**14 Factoring and interest receivables (Continued)**

The Group applies the general approach to provide for ECL prescribed by HKFRS 9 for factoring and interest receivables, which permits the use of the 12 months ECL provision for these factoring and interest receivables, unless there has been a significant increase in credit risk since initial recognition, which the Group then recognises lifetime ECL. The management assessed the expected loss on all factoring and interest receivables individually and the credit quality of factoring and interest receivables has been assessed by reference to historical information about counterparty default rates.

The movement of provision for impairment of factoring and interest receivables is as follows:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
At beginning of the reporting period	<b>270</b>	–
Provision for impairment	<b>233</b>	278
Currency translation difference	<b>19</b>	(8)
	<hr/> <b>522</b>	<hr/> 270

**15 Loan and interest receivables**

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Loan receivables	<b>77,091</b>	67,571
Interest receivables	<b>9,277</b>	6,665
	<hr/> <b>86,368</b>	<hr/> 74,236
Less: Impairment loss	<b>(12,863)</b>	(1,285)
	<hr/> <b>73,505</b>	<hr/> 72,951
Current portion of loan and interest receivables	<b>73,505</b>	72,951
Non-current portion of loan and interest receivables	<b>–</b>	–
	<hr/> <b>73,505</b>	<hr/> 72,951
Analysed as:		
Within one year	<b>73,505</b>	72,951
In the second to fifth years, inclusive	<b>–</b>	–
	<hr/> <b>73,505</b>	<hr/> 72,951

**15 Loan and interest receivables (Continued)**

The carrying amounts of loan and interest receivables are denominated in the following currencies:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
HK\$	<b>49,612</b>	43,764
RMB	<b>23,893</b>	29,187
	<b><u>73,505</u></b>	<u>72,951</u>

The movement of provision for impairment on loan and interest receivables are as follows:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
At beginning of the reporting period	<b>1,285</b>	874
Provision for impairment	<b>11,330</b>	929
Written off	–	(489)
Currency translation difference	<b>248</b>	(29)
At end of the reporting period	<b><u>12,863</u></b>	<u>1,285</u>

Loan receivables are interest-bearing at 8% to 24% (31 March 2020: 8% to 24%) and are repayable with fixed terms agreed with the Group's customers. The maturity date for each loan contract is normally not more than 3 years (31 March 2020: 3 years) and is unsecured. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the loan and interest receivables mentioned above.

The Group applies the general approach to provide for ECL prescribed by HKFRS 9 for loan and interest receivables, which permits the use of the 12 months ECL provision for these loan and interest receivables, unless there has been a significant increase in credit risk since initial recognition, which the Group then recognises lifetime ECL. The management assessed the expected loss on all loan and interest receivables individually and the credit quality of loan and interest receivables has been assessed by reference to historical information about counterparty default rates.

**16 Cash and cash equivalents**

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Cash at bank and on hand	<b><u>238,639</u></b>	<u>183,430</u>

The carrying amounts of cash and bank balances are denominated in the following currencies:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
HK\$	<b>108,440</b>	49,607
RMB	<b>128,949</b>	132,580
US\$	<b>1,246</b>	1,239
EUR	<b><u>4</u></b>	<u>4</u>
	<b><u>238,639</u></b>	<u>183,430</u>

The conversion of RMB-denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

**17 Share capital****(a) Authorised capital**

As at 1 April 2019, 31 March 2020 (audited) and 30 September 2020 (unaudited), ordinary shares of HK\$0.02 each

<b>Number of shares</b>	<b>Nominal value HK\$'000</b>
<b><u>5,000,000,000</u></b>	<u>100,000</u>



**17 Share capital (Continued)**  
**(b) Issued and fully paid capital**

	<b>Number of shares</b>	<b>Nominal value HK\$'000</b>
As at 1 April 2019 and 30 September 2019 (unaudited), ordinary shares of HK\$0.02 each	3,680,600,000	73,612
Placing of new shares ( <i>Note</i> )	<u>440,000,000</u>	<u>8,800</u>
As at 31 March 2020 (audited), 1 April 2020 and 30 September 2020 (unaudited), of ordinary shares of HK\$0.02 each	<u>4,120,600,000</u>	<u>82,412</u>

*Note:*

On 2 December 2019, the Company entered into a placing agreement with a placing agent to place (the "Placing") up to 440,000,000 shares of the Company of HK\$0.02 each at a placing price of HK\$0.50 per placing share. The closing market price of the shares of the Company on that date was HK\$0.54. The Placing was completed on 27 December 2019 and a total of 440,000,000 ordinary shares with nominal value of HK\$8,800,000 were issued to not less than six independent placees. Details of the Placing are set out in announcements of the Company dated 2 December 2019 and 27 December 2019. Net proceeds of the Placing was approximately HK\$214.1 million (equivalent to approximately HK\$0.49 per share), of which HK\$204.0 million has been applied for the settlement of part of the consideration payable by the Company in respect of the acquisition of 100% equity interest in ChaoShang Financial Holdings Limited and its subsidiaries, which hold licences to carry on Type 1, 2, 4 and 9 regulated activities under the SFO, details of which are set out in the Note 35 to the consolidated financial statements for the year ended 31 March 2020. The remaining proceeds of approximately HK\$10.1 million was applied as general working capital of the Group.

**18 Account payables**

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Payables arising from securities broking business:		
– Cash client payables	<b>20,003</b>	16,292
– Margin client payables	<b>36,309</b>	18,931
	<hr/>	<hr/>
Total account payables	<b>56,312</b>	35,223
	<hr/>	<hr/>

The carrying amounts of account payables are denominated in HK\$.

No ageing analysis is disclosed as in the opinion of the Directors, the ageing analysis is not meaningful in view of the nature of the payables arising from securities broking. The normal settlement terms of payables arising from securities broking are two trading days after the trade date.

**19 Accruals, other payables and deposits received**

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Deposits received ( <i>Note (i)</i> )	<b>16,322</b>	16,232
Accruals and other payables ( <i>Note (iii)</i> )	<b>82,311</b>	11,005
	<hr/>	<hr/>
	<b>98,633</b>	27,237
	<hr/>	<hr/>

**19 Accruals, other payables and deposits received (Continued)**

Notes:

- (i) Amount represents the security deposits received from customers of finance leasing business.
- (ii) Included in the accruals and other payables was HK\$71.7 million (31 March 2020: Nil), being amounts due to an securities dealer arising from securities broking business.
- (iii) The carrying amounts of accruals, other payables and deposits received are denominated in the following currencies:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
HK\$	<b>77,607</b>	7,241
RMB	<b>20,277</b>	19,268
US\$	<b>370</b>	370
EUR	<b>379</b>	358
	<b>98,633</b>	27,237

**20 Amount due to a director**

Amount due to a director is unsecured, interest free and repayable on demand. The carrying amount of the balance is denominated in HK\$ and is approximate to its fair value.

**21 Amount due to non-controlling interest**

Amount due to non-controlling interest is unsecured, interest free and repayable on demand. The carrying amount of balance is denominated in RMB and is approximate to its fair value.

**22 Related party transactions****Key management compensation**

The remuneration of key management personnel of the Group during the period was as follows:

	<b>30 September 2020 HK\$'000 Unaudited</b>	30 September 2019 HK\$'000 Unaudited
Salaries, allowances and other benefits	<b>4,568</b>	3,930
Contribution to defined contribution plans	<b>76</b>	45
	<b>4,644</b>	3,975

## 23 Commitments

### (a) The Group as lessee

At the end of the reporting period, the lease commitments for short-term leases are as follows:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Not later than 1 year	<b>52</b>	21

None of the leases include contingent rentals.

### (b) The Group as lessor

The Group leases its property to independent third parties under operating lease arrangement with lease negotiated for terms of 1 year (31 March 2020: 1 year).

The Group had total future minimum lease receivable under non-cancellable operating lease with its tenant falling due as follows:

	<b>30 September 2020 HK\$'000 Unaudited</b>	31 March 2020 HK\$'000 Audited
Not later than 1 year	<b>342</b>	981

## 24 Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.





## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### Money Lending and Factoring Business (Continued)

The Group has adopted a more prudent credit risk assessment both in accepting new customers and reviewing the credit risk over the existing customers. The Group will closely monitor the development of COVID-19 in order to cultivate a policy to cope with the ever changing environment.

### Finance Leasing Business

The Group is engaged in finance leasing business in the PRC. It mainly offers machinery/equipment-based finance leases, the terms of which generally ranges from one year to five years and the size of which generally ranges from RMB10 million to RMB50 million. The Group provides both direct leasing and sale-leaseback services to customers. The Group solicits its customers principally through referrals from former and existing customers, visits to potential customers by the marketing staff, referrals from the finance leasing industry and other business connections of the Group. Furthermore, the Group's marketing team has extensive experience and business relationship in banking and financing industry, thereby enabling the Group's finance leasing business to expand its customer base and the business.

The finance leasing business maintained a portfolio with outstanding principal amount of approximately RMB126.8 million (equivalent to approximately HK\$144.6 million) as at 30 September 2020. The finance leasing portfolio has attributed a turnover of approximately HK\$9.4 million with a profit of approximately HK\$6.5 million to the Group during the six months period ended 30 September 2020 as compared to approximately HK\$14.6 million and HK\$11.1 million respectively for the last corresponding period.

The financing purpose of the Group's customers is principally for the development and expansion of their business. Due to the current subdued economic conditions which lead the loan demand dampening, the new finance leasing transactions granted by the Group during the period was affected. As such, the interest income from the finance leasing business decreased during the six months ended 30 September 2020.

It is anticipated that global economy uncertainties will persist in the next half financial year amid the outbreak of COVID-19. The Group will continue to adopt a prudent credit risk management strategy as well as closely monitor the development of COVID-19 and its impact to the finance leasing business.

## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### Financial Services Business

During the year ended 31 March 2020, the Company acquired the entire equity interest in ChaoShang Financial Holding Limited and its subsidiaries, which principally engaged in provision of securities dealing broking, placing, underwriting, margin financing and asset management services in Hong Kong.

The financial services business has attributed a turnover of approximately HK\$37.5 million with a profit of approximately HK\$3 million to the Group during the six months ended 30 September 2020.

The average daily turnover of the Hong Kong stock market for the first three quarters of 2020 was approximately HK\$125.7 billion, represents an increase of 39% when compared with HK\$90.5 billion for the corresponding period of last year. The Group has completed four placing and underwriting projects and which contributed a turnover of approximately HK\$27.4 million to the Group for the six months ended 30 September 2020.

The management will continue to keep abreast of the latest development of the Hong Kong financial market and the update on the regulatory requirements applicable to the Group and to strive to achieve the business objective to increase the Group's exposure and scale of operations within the capital markets and to capture a larger market share.

### Vessel Chartering Business

The Group recorded a turnover of approximately HK\$1.8 million with an operating loss of approximately HK\$43,000 from its vessel chartering business during the six months ended 30 September 2019.

The Group has ceased and discontinued its vessel chartering business during the year ended 31 March 2020 through disposal of a subsidiary.

### Outbreak of COVID-19

The outbreak of COVID-19 has significant impact on the global economy and the Group would review and adjust business strategies on a regular basis with a prudent and balanced risk management approach so as to cope with the current unpredictable economic situation. Save as disclosed above, as at the date of this report, the Group was not aware of any material adverse impact on the financial statement as a result of the COVID-19 outbreak.

Looking forward, the Group will actively identify and explore other investment and business opportunities to broaden its assets and revenue base. The Group will cautiously search for investment opportunities so as to produce a steady growth in the Group's long term performance.



## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### Securities Investments

The Group invested surplus funds in securities listed in Hong Kong during the period. The fair value of the Group's securities investment amounted to approximately HK\$7.8 million as at 30 September 2020. Due to the volatile stock market in Hong Kong, the Group recorded an unrealised loss on changes in fair value of held for trading investments of approximately HK\$8.8 million during the period as compared to approximately HK\$17.3 million for the last corresponding period. The Group disposed of certain of the held for trading investments with a realised loss of approximately HK\$540,000 for the six months ended 30 September 2020, whilst a gain of approximately HK\$4 million was recognised for the same period in 2019. The management will continue to adopt a prudent approach in investment and monitor the stock markets closely and keep looking for opportunities to realise gains from its investment portfolio.

## LIQUIDITY, FINANCIAL RESOURCES AND GEARING

The Group generally finances its operations with internally generated resources.

As at 30 September 2020, the Group had cash and bank balances of approximately HK\$238.6 million (31 March 2020: approximately HK\$183.4 million) and total borrowings of approximately HK\$25.5 million (31 March 2020: approximately HK\$33.9 million). The Group's gearing ratio, calculated by dividing total borrowings by total equity, was 2.79% as at the end of the reporting period (31 March 2020: 3.78%). The total borrowings comprises of bond payable, lease liabilities and amount due to a director. The liquidity ratio, being the ratio of current assets over current liabilities, was 4.44 (31 March 2020: 8.31) as at 30 September 2020.

There was no material changes in the gearing ratio for the period. The decrease in liquidity ratio was mainly due to (i) increase in account payables and other payables arising from securities broking business during the period; (ii) the bond payable and part of the retained consideration payable will be due within one year as at 30 September 2020; and (iii) the decrease in the fair value of held-for-trading investments.

## FOREIGN EXCHANGE EXPOSURE

Operations of the Group are mainly conducted in Hong Kong dollar (“HK\$”) and Renminbi (“RMB”), and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$ and RMB.

The Group does not enter into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

## INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2020.

## CAPITAL STRUCTURE

As at 30 September 2020, the total number of issued shares of the Company was 4,120,600,000.

There was no change in the capital structure of the Company during the period.

## CHARGES ON GROUP ASSETS

As at 30 September 2020, none of the Group’s asset was pledged to secure any facilities and borrowings granted to the Group.

## SIGNIFICANT ACQUISITION AND DISPOSAL OF ASSETS

Save as the acquisition and disposal of held-for-trading investments in securities as mentioned below, there has been no significant acquisition and disposal of assets by the Group during the period.

## SECURITIES INVESTMENTS HELD

As at 30 September 2020, the Group had held-for-trading investments in securities in Hong Kong (the "Securities Investments") with a market value of approximately HK\$7.8 million. The Group recorded a realised loss of approximately HK\$540,000 (six months ended 30 September 2019: gain approximately HK\$4 million) in respect of the Securities Investments during the six months ended 30 September 2020. The other details of the Securities Investments as at 30 September 2020 are as follows:

Company name	Stock code	Principal activities	Number of shares held	% of shareholdings	Fair value as at 30 September 2020 <i>HK\$'000</i>	% of net assets of the Group as at 30 September 2020	Unrealised loss on fair value change for the period <i>HK\$'000</i>
1 Royal Century Resources Holdings Limited	8125	Provision of fitting out and engineering services, design and procurement of furnishings and related products services, leasing of construction equipment business, sourcing and merchandising of fine and rare wines and provision of financial services	85,752,000	16.41%	2,658	0.29%	(2,123)
2 China Best Group Holding Limited	370	Finance leasing business, money lending business, securities and futures brokerage business, trading business, securities investment business, freight forwarding business, property investment business, property brokerage business, building architecture and interior design business, property development business, geothermal energy business and building construction contracting business	6,000,000	0.59%	2,670	0.29%	(1,830)
3 Wing Chi Holdings Limited	6080	Provision of foundation and site formation works and machineries leasing	9,120,000	0.98%	1,213	0.13%	(1,095)
4 Others					1,288	0.14%	(3,799)
					<u>7,829</u>		<u>(8,847)</u>

## CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2020.

## COMMITMENTS

Details of the Group's commitments as at 30 September 2020 are set out in Note 23 to this report.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2020, the Group employed approximately 64 employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its Directors and employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

## DIRECTORS' INTERESTS IN CONTRACTS

Other than the transactions as disclosed in Note 22 to this report, no contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party in which a director of the Company had a material interest, whether directly or indirectly, subsisted at 30 September 2020 or at any time during the period then ended.

## DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2020, the interests and short positions of the Directors and the chief executives of the Company and their associates in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register as required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

### Directors' interest in the Company:

Name of director	Number of shares	Approximate percentage of shareholding	Capacity
Ms. Zheng Juhua	Long position 834,767,140 shares <i>(Note)</i>	20.26%	Interest of the controlled corporations

#### Note:

834,767,140 shares were held by Superb Smart Limited (the "Superb Smart"), a company wholly and beneficially owned by Ms. Zheng Juhua, and accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO.

Save as disclosed above, as at 30 September 2020, none of the Directors nor chief executive of the Company had or was deemed to have any interested or short positions in the shares, underlying shares and/or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to Model Code.

## ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the “Share Option Scheme” section below, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of eighteen, had any right to subscribe for the securities of the Company, or had exercised any such rights during the period ended 30 September 2020.

## SUBSTANTIAL SHAREHOLDERS’ INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2020, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or persons who had 5% or more interests in the following long positions in the shares and underlying shares as recorded in the register required to be kept under Section 336 of the SFO or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (the “Voting Entitlements”) (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

Name of substantial shareholder	Number of shares	Approximate percentage of shareholding	Capacity
Ms. Zheng Juhua	Long position 834,767,140 shares (Notes (i))	20.26%	Interest of the controlled corporations
Superb Smart Limited	Long position 834,767,140 shares (Notes (i))	20.26%	Beneficial owner
Dragon Mind Holdings Limited	Long position 341,132,000 shares (Note (ii))	8.28%	Beneficial owner
Managecorp Limited	Long position 341,132,000 shares (Note (ii))	8.28%	Trustee
Mr. Zhang Lirui	Long position 341,132,000 shares (Note (ii))	8.28%	Founder of a discretionary trust

## SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Name of substantial shareholder	Number of shares	Approximate percentage of shareholding	Capacity
Sea Venture Investments Limited	Long position 283,168,000 shares (Note (iii))	6.87%	Beneficial owner
	Short position 283,168,000 shares (Note (iii))	6.87%	Beneficial owner
China Construction Bank Corporation	Long position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
	Short position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
CCB International Group Holdings Limited	Long position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
	Short position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
CCB Financial Holdings Limited	Long position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
	Short position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
CCB International (Holdings) Limited	Long position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
	Short position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
CCBI Investments Limited	Long position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
	Short position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
Central Huijin Investment Limited	Long position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations
	Short position 283,168,000 shares (Note (iii))	6.87%	Interest of controlled corporations

### Notes:

- (i) 834,767,140 shares were held by Superb Smart, a company wholly and beneficially owned by Ms. Zheng Juhua, the executive Director and Chairman of the Company. Accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO.

## SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Notes: (Continued)

- (ii) 341,132,000 shares were held by Dragon Mind Holdings Limited which is wholly-owned by a discretionary trust of which Mr. Zhang Lirui ("Mr. Zhang") is the settlor and Managecorp Limited (the "Managecorp") is the trustee, and accordingly, Mr. Zhang and Managecorp are deemed to be interested in the relevant shares under the SFO.
- (iii) Sea Venture Limited, which is wholly owned by CCBI Investments Limited, held put options comprising for 283,168,000 Shares. CCBI Investments Limited is wholly owned by CCB International (Holdings) Limited, which is in turn wholly owned by CCB Financial Holdings Limited. CCB Financial Holdings Limited is wholly owned by CCB International Group Holdings Limited, which is in turn wholly owned by China Construction Bank Corporation. China Construction Bank Corporation is owned as to 57.11% by Central Huijin Investment Limited. Accordingly, CCBI Investments Limited, CCB International (Holdings) Limited, CCB Financial Holdings Limited, CCB International Group Holdings Limited, China Construction Bank Corporation and Central Huijin Investment Limited are deemed to be interested in the relevant shares under the SFO.

Save as disclosed above, the Directors are not aware of any other corporations or person who, as at 30 September 2020, had the Voting Entitlements or any interests or short positions in the Shares or underlying shares as recorded in the register required to be kept under Section 336 of the SFO.

## SHARE OPTIONS SCHEME

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 2 September 2013 and the Stock Exchange granting approval of the listing of and permission to deal in the shares to be issued under the share option scheme (the "Share Option Scheme") on 3 September 2013, the Company adopted the Share Option Scheme in replacement of a share option scheme adopted on 25 March 2003 which had been expired on 24 March 2013. The Share Option Scheme shall be valid and effective for a period of 10 years from 2 September 2013, unless otherwise terminated. The followings is a summary of the Share Option Scheme:

### Purpose

The Share Option Scheme aims to provide the Company with a flexible and effective means of incentivizing, rewarding, remunerating, compensating and/or providing benefits to the Directors, employees and other participants of the Company and the Group.

## SHARE OPTIONS SCHEME (CONTINUED)

### Participants

The Directors may, in accordance with the provisions of the Share Option Scheme and the Listing Rules, invite person(s) who or which is/are eligible to participate as grantee(s) and receive options under the Share Option Scheme, to take up share options to subscribe for shares.

### Maximum number of shares available for subscription

The total number of share options to be granted under the Share Option Scheme shall not exceed 10% of the issued shares of the Company as at 2 September 2013. Upon approval by the shareholders, the Company may renew the scheme mandate limit, provided that each renewal shall not exceed 10% of the issued shares as at the date of approval by the shareholders, and a circular regarding the proposed renewal of the scheme mandate limit has been dispatched to the shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules. Pursuant to an ordinary resolution passed by the shareholders of the Company at the annual general meeting on 2 September 2014 and 26 August 2016, the 10% limit under the Share Option Scheme was refreshed respectively. The total number of shares which may be issued upon exercise of all share options that may be granted under the 10% limited as at the date of this report is 368,060,000 shares. The aggregate maximum number of shares which may be issued upon exercise of share options granted under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

### Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options under the Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company. Any excess over 1% shall be subject to the approval of the shareholders at general meeting with such participant and his/her close associates abstaining from voting and the Company shall issue a circular pursuant to relevant provisions of Chapter 17 of the Listing Rules.

### Time of acceptance and exercise of a share option

The grantee may accept the offer of the share option within twenty-one days from the date of the offer letter issued by the Company. The grantee shall pay HK\$1 as consideration for accepting the offer of the share option granted. The grantee may subscribe for shares during such period as may be determined by the Board (the said period shall not in whatever case be later than the last day of the 10-year period after the day on which the offer relating to the option is duly approved by the Board in accordance with the Share Option Scheme (subject to early termination)).



## SHARE OPTIONS SCHEME (CONTINUED)

### Minimum period for which an option must be held before it can be exercised

Unless the Directors determine otherwise and state in the offer of the grant of option to the grantee, the Share Option Scheme does not provide for any minimum period for which share options must be held before it can be exercised.

### Basis for determining the exercise price

The exercise price of share option granted pursuant to the Share Option Scheme shall be determined by the Board and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of offer, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the Shares.

### The life of the Share Option Scheme

The Share Option Scheme will remain in force for ten years starting from 2 September 2013 (can be terminated before expiration).

As at 30 September 2020 and up to the date of this report, no share options has been granted under the Share Option Scheme since its adoption.

## CORPORATE GOVERNANCE

The Company endeavors in maintaining good corporate governance for the enhancement of shareholders' value. The Company has adopted the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Listing Rules. The Company has complied with all the applicable code provisions in the Code throughout the six months ended 30 September 2020.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2020.

## DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the period under review and up to the date of this report, the Directors had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

Director	Name of company	Nature of business	Nature of interests
Mr. Chan Chi Yuen	Royal Century Resources Holdings Limited ("Royal Century") and its subsidiaries	Money lending and financial services business	Chairman and executive director of Royal Century

As the Board is independent to the boards of the above mentioned companies, the Group is capable of carrying on its business independently of, and at arm's length, from the business of those companies.

Save as disclosed above, none of the Directors was interested in any business (apart from the Group's business) which competed or was likely to compete, either directly or indirectly, with the business of the Group during the period.

## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Securities Dealing Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the Securities Dealing Code throughout the six months ended 30 September 2020.

## AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chi Chi Hung, Kenneth (Chairman), Mr. Yu Pak Yan, Peter and Mr. Man Kwok Leung. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2020.

## DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Name of Director	Details of Change
Mr. Chan Chi Yuen	– resigned as an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351), the shares of which are listed on the Stock Exchange, on 14 July 2020.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25 per cent of the Company's issued shares at the latest practicable date (27 November 2020) prior to the issue of this report.

## BOARD OF DIRECTORS

As at the date of this report, the executive Directors of the Company are Ms. Zheng Juhua and Mr. Chan Chi Yuen; the independent non-executive Directors are Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth.

## APPRECIATION

On behalf of the Board, I would like to thank all of our shareholders, employees, customers and suppliers for their continued support.

By order of the Board  
**HONG KONG CHAOSHANG GROUP LIMITED**  
**Ms. Zheng Juhua**  
*Chairlady*

Hong Kong, 27 November 2020