



NOBLE CENTURY
INVESTMENT HOLDINGS LIMITED
仁瑞投資控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code : 2322)

Interim Report

2017/18



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. ZHENG Juhua (*Chairman*)
Mr. CHAN Chi Yuen (*Chief Executive Officer*)
Ms. WANG Yingqian

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

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
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

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WEBSITE

<http://www.noblecentury.hk>



This interim report is printed on environmentally friendly paper

The board of directors (the “Board”) of Noble Century Investment Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2017 together with the comparative figures for the corresponding period in 2016. 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 2017

		Six months ended	
		30 September	
		2017	2016
	<i>Notes</i>	HK\$'000	HK\$'000
		Unaudited	Unaudited
Revenue	3	180,115	1,492,805
Cost of sales	5	(166,803)	(1,464,662)
Gross profit		13,312	28,143
Other income	4	1,196	329
Loss on changes in fair value of held-for-trading investments		(15,443)	(17,375)
Administrative expenses	5	(21,012)	(18,614)
Operation loss		(21,947)	(7,517)
Finance costs	6	–	(1,072)
Loss before taxation		(21,947)	(8,589)
Taxation	7	(1,973)	(4,265)
Loss for the period		(23,920)	(12,854)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation		31,803	(14,826)
Total comprehensive income/(loss) for the period		7,883	(27,680)
Loss for the period attributable to:			
Owners of the Company		(23,139)	(12,100)
Non-controlling interests		(781)	(754)
Loss for the period		(23,920)	(12,854)

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

		Six months ended	
		30 September	
	<i>Notes</i>	2017	2016
		HK\$'000	HK\$'000
		Unaudited	Unaudited
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		9,115	(26,624)
Non-controlling interests		(1,232)	(1,056)
		<hr/>	<hr/>
Total comprehensive income/(loss) for the period		7,883	(27,680)
		<hr/>	<hr/>
		Unaudited	Unaudited
Basic and diluted losses per share	9	HK(0.63) cents	HK(0.33) cents
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

		30 September 2017	31 March 2017
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		Unaudited	Audited
ASSETS			
Non-current assets			
Property, plant and equipment	10	107,564	103,108
Investment property	10	11,760	11,400
Goodwill		1,000	1,000
Other financial asset		3,125	3,125
Finance lease payment receivables	11	74,064	84,576
Loan and interest receivables	15	17,538	27,736
		215,051	230,945
Current assets			
Inventories	12	10,860	12,423
Trade receivables	13	315,119	421,749
Bills receivable		21,040	–
Deposits, prepayments and other receivables	14	106,388	126,215
Other financial asset		540	540
Held-for-trading investments		54,527	64,100
Finance lease payment receivables	11	79,185	73,956
Loan and interest receivables	15	73,373	84,510
Tax recoverable		263	246
Restricted bank deposits		–	40,935
Cash and bank balances	16	162,474	98,144
		823,769	922,818
Total assets		1,038,820	1,153,763

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2017

		30 September 2017	31 March 2017
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		Unaudited	Audited
EQUITY			
Capital and reserves			
Share capital	17	73,612	73,612
Reserves		763,296	754,181
		<hr/>	<hr/>
Total equity attributable to owners of the Company		836,908	827,793
Non-controlling interests		19,942	17,254
		<hr/>	<hr/>
Total equity		856,850	845,047
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
LIABILITIES			
Current liabilities			
Trade payables	18	108,041	213,701
Bills payables		–	40,935
Accruals, other payables and deposit received	19	59,076	38,903
Amount due to a director	20	5,475	6,210
Amount due to non-controlling interests	21	940	1,688
Tax payables		8,438	7,279
		<hr/>	<hr/>
Total liabilities		181,970	308,716
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity and liabilities		1,038,820	1,153,763
		<hr/>	<hr/>
Net current assets		641,799	614,102
		<hr/>	<hr/>
Total assets less current liabilities		856,850	845,047
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Attributable to owners of the Company						Attributable to non-controlling interests	Share of net assets of a subsidiaries	Total
	Share capital	Share premium	Contributed surplus	Exchange reserve	Surplus reserve	Accumulated losses	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
For the six months ended 30 September 2017									
At 1 April 2017	73,612	795,408	34,178	(47,621)	1,001	(28,785)	827,793	17,254	845,047
Comprehensive income									
Loss for the period	-	-	-	-	-	(23,139)	(23,139)	(781)	(23,920)
Other comprehensive income									
Exchange difference on translation of financial statements of foreign operations	-	-	-	32,254	-	-	32,254	(451)	31,803
Transactions with owners									
Contribution from a non-controlling shareholder	-	-	-	-	-	-	-	3,920	3,920
At 30 September 2017	<u>73,612</u>	<u>795,408</u>	<u>34,178</u>	<u>(15,367)</u>	<u>1,001</u>	<u>(51,924)</u>	<u>836,908</u>	<u>19,942</u>	<u>856,850</u>
For the six months ended 30 September 2016									
At 1 April 2016	73,612	795,408	34,178	(15,718)	-	(9,795)	877,685	87	877,772
Comprehensive income									
Loss for the period	-	-	-	-	-	(12,100)	(12,100)	(754)	(12,854)
Other comprehensive income									
Exchange difference on translation of financial statements of foreign operations	-	-	-	(14,524)	-	-	(14,524)	(302)	(14,826)
Transactions with owners									
Acquisition of a subsidiary	-	-	-	-	-	-	-	(104)	(104)
Difference between the consideration paid and the portion of the non-controlling interests arising from acquisition of partial equity interest in a subsidiary from a non-controlling shareholder	-	-	-	(358)	-	(294)	(652)	(63)	(715)
Equity interest in a subsidiary acquired from a non-controlling shareholder	-	-	-	-	-	-	-	695	695
At 30 September 2016	<u>73,612</u>	<u>795,408</u>	<u>34,178</u>	<u>(30,600)</u>	<u>-</u>	<u>(22,189)</u>	<u>850,409</u>	<u>(441)</u>	<u>849,968</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	<i>Notes</i>	Six months ended	
		2017	2016
		HK\$'000	HK\$'000
		Unaudited	Unaudited
Net cash generated from/(used in) operating activities		2,106	(149,164)
Net cash generated from/(used in) investing activities		32,244	(16,150)
Net cash generated from/(used in) financing activities		1,519	(41,793)
Increase/(Decrease) in cash and cash equivalents		35,869	(207,107)
Cash and cash equivalents at beginning of period		98,144	499,817
Effect of foreign exchange rate changes, net		28,461	(10,942)
Cash and cash equivalents at end of period	16	162,474	281,768

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 General information

Noble Century Investment Holdings 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 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”) is principally engaged in vessel chartering, trading, money lending and finance leasing.

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 16 November 2017.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard

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 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 2017.

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 2017 except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which in collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA as disclosed below.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard (Continued)

Application of new standards, amendments and interpretations

(a) Effect of adopting amendments and interpretations

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 2017.

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendments)	As part of the Annual Improvements HKFRSs 2014–2016 Cycle

The adoption of these amendments to standards has no material effect on the amounts reported and disclosures set out in the unaudited condensed consolidated financial statements of the Group for the current or prior accounting periods.

(b) New standards and amendments that are not yet effective and have not been early adopted

The Group has not early applied the following new or revised standards and amendments that have been issued but are not yet effective.

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ²
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS4 Insurance Contracts ²
HKFRS 9	Financial Instruments ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 15	Clarification to HKFRS 15 ²
HKFRS 16	Leases ³
HKAS 40 (Amendments)	Transfers of Investment Property ²
Annual improvement projects	Annual improvements HKFRSs 2014–2016 cycle ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ³

¹ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

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

³ Effective for annual periods beginning on or after 1 January 2019.

⁴ Effective date to be determined.

2 Basis of preparation and impact of new and revised Hong Kong Financial Reporting Standard (Continued)

Application of new standards, amendments and interpretations (Continued)

(b) *New standards and amendments that are not yet effective and have not been early adopted (Continued)*

The Group has commenced an assessment of related impact of adopting the above new, revised or amended standards and interpretations to the Group. The Group is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the unaudited condensed consolidated financial statements will be resulted.

3 Revenue and 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 segments represents a strategic business unit that is subject to risks and returns that are different from other reportable operating segment.

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

- Vessel chartering segment engaged in voyage chartering in the People's Republic of China (the "PRC");
- Trading segment engaged in trading of goods in Hong Kong and the PRC;
- Money lending segment engaged in provision of loan financing in Hong Kong and entrusted loan financing in the PRC; and
- Finance leasing segment engaged in provision of finance leasing and sale-leaseback in the PRC.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) earned/recorded 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 and changes in fair value of held-for-trading investments.

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to operating segments other than investment property, goodwill, held-for-trading investments, other financial asset, cash and bank balances and other corporate assets.

The Board assesses the performance of the operating segments based on their underlying operating profit/(loss), which is measured by profit/(loss) before taxation.

3 Revenue and segment information (Continued)
(a) Segment revenue and results

Segment revenue and results	Six months ended 30 September 2017				Total HK\$'000 Unaudited
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	
	Segment revenue	<u>1,387</u>	<u>164,717</u>	<u>6,268</u>	
Segment results	<u>(100)</u>	<u>(3,701)</u>	<u>4,620</u>	<u>2,897</u>	<u>3,716</u>
Corporate expenses					<u>(10,717)</u>
Loss on changes in fair value of held-for-trading investments					<u>(15,443)</u>
Operating loss					<u>(22,444)</u>
Corporate income					<u>497</u>
Loss before taxation					<u>(21,947)</u>
Taxation					<u>(1,973)</u>
Loss for the period					<u>(23,920)</u>

3 Revenue and segment information (Continued)
(a) Segment revenue and results (Continued)

Segment revenue and results	Six months ended 30 September 2016					Total HK\$'000 Unaudited
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited		
Segment revenue	2,395	1,481,078	3,894	5,438		1,492,805
Segment results	(1,169)	14,917	3,401	1,633		18,782
Corporate expenses						(10,044)
Loss on changes in fair value of held-for-trading investments						(17,375)
Operating loss						(8,637)
Corporate income						48
Loss before taxation						(8,589)
Taxation						(4,265)
Loss for the period						(12,854)

3 Revenue and segment information (Continued)
(b) Segment assets and liabilities

Segment assets and liabilities	As at 30 September 2017 and six months ended 30 September 2017				Total HK\$'000 Unaudited
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	
Non-current assets					
Property, plant and equipment	20,821	91	2	79,573	100,487
Finance lease payment receivables	-	-	-	74,064	74,064
Loan and interest receivables	-	-	17,358	-	17,358
	<u>20,821</u>	<u>91</u>	<u>17,360</u>	<u>153,637</u>	<u>191,909</u>
Current assets	<u>9,582</u>	<u>437,143</u>	<u>73,453</u>	<u>79,458</u>	<u>599,636</u>
Segment assets	<u>30,403</u>	<u>437,234</u>	<u>90,813</u>	<u>233,095</u>	<u>791,545</u>
Unallocated:					
Cash and bank balances					162,474
Others					84,801
Total assets per balance sheet					<u>1,038,820</u>
Segment liabilities	<u>15,051</u>	<u>131,982</u>	<u>745</u>	<u>27,126</u>	<u>174,904</u>
Unallocated:					
Amount due to a director					5,475
Others					1,591
Total liabilities per balance sheet					<u>181,970</u>
Other segment information					
Capital expenditure	-	-	-	669	669
Unallocated capital expenditure					2,603
					<u>3,272</u>
Depreciation	382	14	-	1,654	2,050
Unallocated depreciation					1,221
					<u>3,271</u>

3 Revenue and segment information (Continued)

(b) Segment assets and liabilities (Continued)

Segment assets and liabilities	As at 30 September 2016 and six months ended 30 September 2016				Total HK\$'000 Unaudited
	Vessel chartering HK\$'000 Unaudited	Trading HK\$'000 Unaudited	Money lending HK\$'000 Unaudited	Finance leasing HK\$'000 Unaudited	
Non-current assets					
Property, plant and equipment	42,611	115	3	80,878	123,607
Goodwill	–	1,083	–	1,000	2,083
Finance lease payment receivables	–	–	–	87,699	87,699
Loan and interest receivables	–	–	39,157	–	39,157
	<u>42,611</u>	<u>1,198</u>	<u>39,160</u>	<u>169,577</u>	<u>252,546</u>
Current assets	69	439,289	61,367	14,493	515,218
Segment assets	<u>42,680</u>	<u>440,487</u>	<u>100,527</u>	<u>184,070</u>	<u>767,764</u>
Unallocated:					
Cash and bank balances					281,768
Others					<u>77,398</u>
Total assets per balance sheet					<u>1,126,930</u>
Segment liabilities	<u>27,443</u>	<u>231,332</u>	<u>768</u>	<u>8,519</u>	<u>268,062</u>
Unallocated:					
Amount due to a director					6,735
Others					<u>2,165</u>
Total liabilities per balance sheet					<u>276,962</u>
Other segment information					
Capital expenditure	–	15	–	4,080	4,095
Unallocated capital expenditure					<u>12,348</u>
					<u>16,443</u>
Depreciation	1,112	12	1	1,664	2,789
Unallocated depreciation					<u>1,081</u>
					<u>3,870</u>

3 Revenue and segment information (Continued)

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

	Six months ended 30 September	
	2017 HK\$'000 Unaudited	2016 HK\$'000 Unaudited
Customer A	–	1,040,983
Customer B	–	305,666
Customer C	107,699	25,802
Customer D	36,914	–
	144,613	1,372,451

The above customers are customers of trading business.

(d) Geographical information

The Group's revenue from external customers 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
	2017 HK\$'000 Unaudited	2016 HK\$'000 Unaudited	2017 HK\$'000 Unaudited	2017 HK\$'000 Audited
Hong Kong	2,171	79,766	18,838	17,398
PRC	177,944	1,413,039	192,088	209,422
	180,115	1,492,805	210,926	226,820

The geographical location of customers is based on the location at which the goods delivered. The geographical location of the non-current assets excluding goodwill and other financial assets is based on physical location of the asset.

4 Other income

	Six months ended	
	30 September	
	2017	2016
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Exchange gain, net	27	–
Bank interest income	451	281
Unrealised gains on investment property revaluation	360	–
Rental income	247	48
Others	111	–
	1,196	329

5 Expenses by nature

	Six months ended	
	30 September	
	2017	2016
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Fuel cost	126	1,286
Cost of inventories sold	164,721	1,461,261
Staff costs, including directors' emoluments	9,495	8,192
Entertainment	1,243	622
Exchange losses, net	–	493
Depreciation	3,271	3,870
Impairment loss on loan and interest receivables	489	–
Operating lease charges in respect of property rental	1,841	2,425
Professional fees	3,140	2,643
Repairs and maintenance	–	53
Vessel management fee	244	180
Others	3,245	2,251
Total cost of sales and administrative expenses	187,815	1,483,276

6 Finance Costs

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Interest expenses on bank borrowing	—	1,072

7 Taxation

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Current income tax		
– Hong Kong profits tax	24	2,701
– PRC corporation income tax	1,949	1,564
	1,973	4,265

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (period ended 30 September 2016: 16.5%) on the estimated assessable profits for the period.

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.

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.

8 Interim dividends

The Directors do not recommend the payment of interim dividends in respect of the period (period ended 30 September 2016: Nil).

9 Losses per share

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Loss attributable to shareholders	(23,139)	(12,100)
Weighted average number of ordinary shares, for the purposes of calculating basic losses per share (shares in thousands) (<i>Note</i>)	<u>3,680,600</u>	<u>3,680,600</u>
Basic losses per share	<u>HK(0.63) cents</u>	<u>HK(0.33) cents</u>

Note: The weighted average number of ordinary shares for the purpose of calculating basic losses per share for the six months ended 30 September 2016 has been retrospectively adjusted for the effect of share subdivision completed in September 2016 (*Note 17(b)*).

As there are no dilutive potential ordinary shares outstanding as at 30 September 2017 and 2016, the diluted losses per share are equal to the basic losses per share.

10 Movement in property, plant and equipment and investment property

During the six months ended 30 September 2017, the Group spent approximately HK\$3,272,000 (period ended 30 September 2016: approximately HK\$4,805,000) on additions to property, plant and equipment. During the six months ended 30 September 2017 and 2016, there was no disposal of property, plant and equipment.

During the six months ended 30 September 2017, there was no addition or disposal of investment property; whilst in the corresponding period in 2016, the Group acquired an investment property located in Hong Kong under medium term lease at a consideration of approximately HK\$11,638,000 which was carried at fair value. During the six months ended 30 September 2017, the Group recorded unrealised gains of HK\$360,000 (period ended 30 September 2016: Nil) arising from changes in the fair value of the investment property.

11 Finance lease payment receivables

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Current portion of finance lease payment receivables	79,185	73,956
Non-current portion of finance lease payment receivables	74,064	84,576
	153,249	158,532

	Minimum lease payments		Present value of minimum lease payments	
	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Within one year	90,245	88,571	79,185	73,956
In the second to fifth years, inclusive	87,109	101,593	74,064	84,576
	177,354	190,164	153,249	158,532
Less: Unearned finance income	(24,105)	(31,632)	N/A	N/A
Present value of minimum lease payments receivable	153,249	158,532	153,249	158,532
Less: Current portion of finance lease payment receivables			(79,185)	(73,956)
Non-current portion of finance lease payment receivables			74,064	84,576

As at 30 September 2017 and 31 March 2017, the finance lease payment receivables were secured over the leased assets mainly by machineries and equipment. Certain finance lease payment receivables were also secured by other assets and/or guaranteed by the guarantors.

All the Group's finance lease payment receivables are denominated in RMB and 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 5% to 18% (31 March 2017: approximately 5% to 18%) per annum.

There was no unguaranteed residual values of assets leased under finance leases as at 30 September 2017 (31 March 2017: Nil). The finance lease payment receivables at the end of the reporting period are neither past due nor impaired.

12 Inventories

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Bunkers on board	35	48
Frozen foodstuff*	10,825	12,375
	10,860	12,423

* Included in the frozen foodstuff were inventories in transit amounted to HK\$2,546,000, as at 31 March 2017.

13 Trade receivables

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Trade receivables	315,119	421,749

Included in the Group's trade receivables as at 30 September 2017 was approximately HK\$97,053,000 (31 March 2017: approximately HK\$133,729,000) due from a customer, the shareholder of which subsequently became a minority shareholder of a subsidiary of the Group during the year ended 31 March 2017.

The Group's trade receivables are generally with credit periods of 60 to 90 days (31 March 2017: 30 to 90 days). The maximum exposure to credit risk at the balance sheet date is the carrying amount of the trade receivables. The Group does not hold any collateral as security.

The carrying amounts of trade receivables approximate to their fair values.

13 Trade receivables (Continued)

An aged analysis of the trade receivables at the end of the reporting period, based on the date of invoice (or date of revenue recognition, if earlier), is as follows:

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
0 to 30 days	48,599	46,799
31 to 60 days	19,746	48,416
61 to 90 days	41,740	59,277
91 to 180 days	31,198	113,206
More than 180 days	173,836	154,051
	315,119	421,749

The aged analysis of the trade receivables that are past due but not impaired are as follows:

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Neither past due nor impaired	68,345	111,511
Past due but not impaired		
0 to 30 days	42,515	82,708
31 to 90 days	18,348	60,811
91 to 180 days	74,338	153,844
More than 180 days	111,573	12,875
	315,119	421,749

The carrying amount of trade receivables is denominated at Renminbi.

14 Deposits, prepayments and other receivables

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Trade deposits paid (<i>note (i)</i>)	37,637	47,361
Value added tax recoverable	42,214	52,167
Other deposits paid, prepayments and other receivables	26,537	26,687
	106,388	126,215

Notes:

- (i) Amount represented trade deposits paid to suppliers for trading of seafood and electronic products. The entire amount is expected to be recovered within the next twelve months.
- (ii) The carrying amounts of deposits, prepayment and other receivables are denominated in the following currencies:

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
HK\$	6,667	8,446
EUR	195	195
RMB	99,526	117,574
	106,388	126,215

15 Loan and interest receivables

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Loan and interest receivables	91,400	112,246
Less: Impairment loss	(489)	–
	90,911	112,246
Current portion of loan and interest receivables	73,373	84,510
Non-current portion of loan and interest receivables	17,538	27,736
	90,911	112,246
Analysed as:		
Within one year	73,373	84,510
In the second to fifth years, inclusive	17,538	27,736
	90,911	112,246
	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Loan receivables	88,102	109,157
Interest receivables	2,809	3,089
	90,911	112,246

15 Loan and interest receivables (Continued)

An aged analysis of the loan and interest receivables, which are past due but not impaired, are as follows:

	30 September 2017 <i>HK\$'000</i> Unaudited	31 March 2017 <i>HK\$'000</i> Audited
Neither past due nor impaired	84,262	106,395
Past due but not impaired		
Less than 1 month	–	11
1 to 3 months	6,649	5,612
3 months to 1 year	–	228
	90,911	112,246

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

	30 September 2017 <i>HK\$'000</i> Unaudited	31 March 2017 <i>HK\$'000</i> Audited
HK\$	21,971	36,537
RMB	68,940	75,709
	90,911	112,246

15 Loan and interest receivables (Continued)

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

	<i>HK\$'000</i>
	Unaudited
At 31 March 2017 and 1 April 2017	–
Impairment loss recognised	<u>489</u>
At 30 September 2017	<u>489</u>

The credit quality of loan and interest receivables that are neither past due nor impaired has been assessed by reference to historical information about counterparty default rates.

One of the loan receivables with principal amount of RMB37,866,000 (equivalent to approximately HK\$44,682,000) as at 30 September 2017 (31 March 2017: RMB46,299,000 (equivalent to approximately HK\$52,225,000)), failed to make instalment to the loan and interest receivable (the "Past Due Receivable") in the amount of approximately RMB5,234,000 (equivalent to approximately HK\$6,176,000) (31 March 2017: approximately RMB4,955,000 (equivalent to approximately HK\$5,589,000)). The Group has commenced a litigation against this customer for recovery of the outstanding amount. Subsequent to the reporting period, the Past Due Receivable has been fully settled. As such, no individual impairment allowance was made in respect of the receivable from this customer as at 30 September 2017 (31 March 2017: Nil).

The provision for impairment on loan and interest receivables represents a full provision for an individually impaired loan and interest receivable with a carrying amount of approximately HK\$489,000 (31 March 2017: approximately HK\$503,000). The individually impaired loan and interest receivable related to a customer that has default in settlement and was considered to be impaired by the directors. Other loan receivables which have been past due but not impaired mainly represented occasional delay in repayment with no indication of significant deterioration of credit quality of these loan receivables.

Loan receivables are interest-bearing at approximately 4% to 18% (31 March 2017: approximately 4% to 18%) and are repayable with fixed terms agreed with the Group's customers. The maturity date for each loan contract is normally not more than 4 years and were unsecured. The directors of the Company consider that the fair values of loan receivables are not materially different from their carrying amounts. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the receivables mentioned above.

16 Cash and cash equivalents

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Cash at bank and in hand	162,474	98,144

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

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
HK\$	4,277	26,105
US\$	2,277	8,509
EUR	114	103
RMB	155,806	63,427
	162,474	98,144

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

	Number of shares	Nominal value HK\$'000
As at 1 April 2016, ordinary shares of HK\$0.10 each	1,000,000,000	100,000
Share subdivision (<i>Note</i>)	4,000,000,000	–
	5,000,000,000	100,000
As at 31 March 2017 and 30 September 2017, ordinary shares of HK\$0.02 each	5,000,000,000	100,000

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

	Number of shares	Nominal value HK\$'000
As at 1 April 2016, ordinary shares of HK\$0.10 each	736,120,000	73,612
Share subdivision (<i>Note</i>)	<u>2,944,480,000</u>	<u>—</u>
As at 31 March 2017 and 30 September 2017, ordinary shares of HK\$0.02 each	<u>3,680,600,000</u>	<u>73,612</u>

Note:

Pursuant to an ordinary resolution passed by the shareholders of the Company at a special general meeting on 5 September 2016, every one share of the Company of HK\$0.10 each was subdivided into five subdivided shares of HK\$0.02 each.

All the shares issued during the period rank pari passu with the existing shares of the Company in all aspects.

18 Trade payables

An aged analysis of the trade payables is as follows:

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
0 to 90 days	46,463	96,913
91 to 180 days	—	92,269
181 to 365 days	61,551	24,519
more than 365 days	<u>27</u>	<u>—</u>
	<u>108,041</u>	<u>213,701</u>

The carrying amount of trade payables is denominated at Renminbi.

19 Accruals, other payables and deposit received

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Deposit received (Note (i))	6,490	6,204
Accruals and other payables (Note (iii))	52,586	32,699
	59,076	38,903

Notes:

- (i) The amount represents the security deposits received from the customers of finance lease business.
- (ii) Included in the accruals and other payables was RMB12 million (equivalent to approximately HK\$14.2 million) (31 March 2017: RMB12 million (equivalent to approximately HK\$13.5 million)), being a bank loan (the "Vessel Loan") due by the vendor (the "Vendor") to a bank in the PRC (the "PRC Bank") to be paid up by the Group in respect of the Group's acquisition of the vessel (the "Vessel"). As the Vendor and the PRC Bank were still in negotiation with the repayment arrangement, it has yet been repaid and was accounted for as other payables as at 30 September 2017 and 31 March 2017. The Vessel Loan is secured by the Vessel of the Group with a carrying value of HK\$20.8 million (31 March 2017: HK\$20.3 million) as at 30 September 2017.
- (iii) The carrying amounts of accruals, other payables and deposit received are denominated in the following currencies:

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
HK\$	1,203	2,701
US\$	370	370
EUR	386	349
RMB	57,117	35,483
	59,076	38,903

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 transaction**Key management compensation**

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

	30 September 2017 HK\$'000 Unaudited	30 September 2016 HK\$'000 Unaudited
Salaries, allowances and other benefits	4,287	3,449
Contributions to retirement benefits scheme	54	54
	4,341	3,503

23 Commitments**(a) Capital commitments**

The Group had the following capital commitments as at the end of the reporting period:

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Contracted but not provided for:		
– Capital contribution to a non-wholly owned subsidiary	141,176	145,230

23 Commitments (Continued)**(b) Operating lease commitments**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Not later than 1 year	3,222	3,261
Later than 1 year but not later than 5 years	536	2,142
	3,758	5,403

None of the leases include contingent rentals.

(c) Operating lease rental receivable

The Group had contracted with tenants for the following future minimum lease payments receivable under non-cancellable operating lease:

	30 September 2017 HK\$'000 Unaudited	31 March 2017 HK\$'000 Audited
Not later than 1 year	432	335

24 Events after reporting period

On 14 June 2017, the Group entered into a memorandum of understanding (the "GS MOU") with an independent third party (the "Vendor") in relation to a possible acquisition (the "GS Possible Acquisition") of 100% equity interest in a company together with its subsidiaries which are principally engaged in equity investment funds management, equity investment and asset management in the PRC. As the Group and the Vendor failed to reach a consensus on the terms of the GS Possible Acquisition, the Group entered into a deed of termination with the Vendor, subsequent to the end of the reporting period on 19 October 2017, pursuant to which the GS MOU has been terminated.

25 Comparative figures

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$180.1 million with a gross profit of approximately HK\$13.3 million during the six months ended 30 September 2017 as compared to approximately HK\$1,492.8 million and approximately HK\$28.1 million respectively for the same period in 2016. The loss before taxation for the period was approximately HK\$21.9 million whilst approximately HK\$8.6 million was recorded for the last corresponding period.

The increase in loss for the period was mainly attributable to the decrease in turnover and profit from the trading business of approximately HK\$1,316.4 million and HK\$18.6 million respectively, as a result of the unsatisfactory performance of the methanol trading business, details of which are set out in the section headed "Trading Business" under the Business Review and Outlook below.

As at 30 September 2017, the unaudited total assets and net assets of the Group were approximately HK\$1,038.8 million (31 March 2017: approximately HK\$1,153.8 million) and approximately HK\$856.9 million (31 March 2017: approximately HK\$845 million) respectively. The Board does not recommend the payment of interim dividends for the period.

BUSINESS REVIEW AND OUTLOOK

Vessel Chartering

As disclosed in the annual report of the Group for the year ended 31 March 2017, due to the volatile business environment of vessel chartering, the Group disposed one of the vessels in last year. The Group currently owned a vessel which is a multi-purpose deck cargo ship with focus on carriage of construction material and waste in the PRC.

The Baltic Dry Index (the "BDI") has been recovered and kept stable in the level of about 1,000 during the period. The vessel attributed a turnover of approximately HK\$1.4 million with a loss of approximately HK\$100,000 during the six months ended 30 September 2017 whilst a turnover of approximately HK\$2.4 million with a loss of approximately HK\$1.2 million was recognised from the Group's two vessels for the last corresponding period. Looking forward, the Board expects the Group will tap the growth potential by the on-going recovery of the vessel chartering industry. The Board will take caution measures continuously to closely monitor the efficiency and effectiveness of the operation of the Group's vessel chartering business.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Trading Business

The Group is engaged in methanol, seafood, frozen meat, electronics and other commercial products trading business in the PRC. The Group recorded a turnover of approximately HK\$164.7 million with a loss of approximately HK\$3.7 million from its trading business during the six months ended 30 September 2017 as compared to approximately HK\$1,481.1 million and a profit of approximately HK\$14.9 million respectively for the same period in 2016.

No turnover has been recorded from the Group's methanol trading for the six months ended 30 September 2017, as compared to approximately HK\$1,041 million for the last corresponding period. The PRC has emerged as the dominant country with respect to both methanol capacity and demand owing to its rapid economic growth, with the prices increased from approximately RMB1,900 per tonne in April 2016 to RMB2,000 per tonne in September 2016, and was further increased to RMB2,900 per tonne in September 2017. Attributed to the factors of the increase in the price and demand of methanol, the turnover recorded in the last corresponding period has been significantly increased by approximately 2 times of the preceding period. However, the continuous and further sharp rise of the methanol prices adversely affect the Group's customer's products resulting in a production losses, and consequentially leading to the unsatisfactory performance of the Group's methanol trading business both in the second half of the last financial year and during the six months ended 30 September 2017.

Subsequent to the end of the reporting period, a new contract of approximately US\$8.6 million (equivalent to approximately HK\$67.1 million) was secured by the Group which has been completed as at the date of this report. Looking forward, taking into consideration of the increase in cost brought by rising prices of resources products, the price of methanol is expected to be volatile in the second half of the financial year. The management will closely monitor the impact of the volatility of the resources price to the Group's trading of methanol.

The Group's food trading business, comprising seafood and frozen meat products, recorded a turnover of approximately HK\$125.3 million for the six months ended 30 September 2017, as compared to approximately HK\$56.4 million for the last corresponding period. Despite of the competitive pressure, the Group has continued performing stably by virtue of the high-quality products. In light of consumer's rising awareness of health and food safety, the demand for import food in the PRC is accelerating. The Group will strictly control the food quality in order to maintain good reputation and stable profits.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Trading Business (Continued)

The Group's electronic products trading is principally engaged in trading of smartphones and parts of communication equipment which are the core components for mobile phones. The Group recorded a turnover of approximately HK\$39.4 million from trading of electronic and other commercial products for the six months ended 30 September 2017, as compared to approximately HK\$383.7 million for the last corresponding year. The development of the electronic products trading business was slow down after a rapid expansion in the last financial year. The Group is in the process of reassessing and re-engineering its strategies in order to cultivate a direction and policy for its long term development.

The Board maintains a cautious approach in risk management of the trading business of the Group to monitor and cope with the ever changing operating environment.

Money Lending Business

The Group's money lending business has been steadily developed despite no new loan was granted during the period. There were loan portfolio in Hong Kong with principal amount of approximately HK\$21 million and two entrusted loans granted in the PRC with outstanding principal amount of approximately RMB56.9 million (equivalent to approximately HK\$67.1 million) as at 30 September 2017. The Group recognized an aggregate interest income of approximately HK\$6.3 million and a profit of approximately HK\$4.6 million for the six months ended 30 September 2017 as compared to approximately HK\$3.9 million and HK\$3.4 million respectively for the last corresponding period. The Group adopted a prudent risk management policy, with the money lending business continuously carrying out regular review of credit risk over the existing borrowers. While the Group will proactively explore customers with good quality to expand its business scale, it will continue to adopt a prudent credit risk management strategy to ensure a healthy development in its money lending business.

Finance Leasing Business

The Group is engaged in the finance leasing business in the PRC. The finance leasing business has attributed a turnover of approximately HK\$7.7 million with a profit of approximately HK\$2.9 million to the Group during the period ended 30 September 2017 as compared to approximately HK\$5.4 million and HK\$1.6 million respectively for the last corresponding period.

The finance leasing business continue to provide the Group with stable revenue under the controllable risk. Looking ahead, the Board believes that the finance leasing market in the PRC will still have a great business potential. It is expected that the Group's finance leasing business will record an accelerating growth in the coming years.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Finance Leasing Business (Continued)

Apart from development of the finance lease business by expansion of its customers base, by penetrating into different industries with focus on new energy and new materials, education and cold storage and cold chain sectors which have better cash flows and less cyclical effects, the Group has also begun to provide customers with capital financing by way of financial lease and commercial factoring while establishing a corporate consultancy service company to provide customers with the economic and financial information consultancy services in a bid to extend the profit growth.

Other Potential Investments

On 22 November 2016, the Company entered into a memorandum of understanding (the “ZT MOU”) with an independent third party in relation to a possible acquisition of not less than 51% equity interest in a company together with its subsidiaries which are principally engaged in pawning, entrusted loans and other related business in the PRC. As no formal agreement has been entered and accordingly the ZT MOU has been lapsed during the period.

On 14 June 2017, the Group further entered into a memorandum of understanding (the “GS MOU”) with another independent third party (the “Vendor”) in relation to a possible acquisition (the “GS Possible Acquisition”) of 100% equity interest in a company together with its subsidiaries which are principally engaged in equity investment funds management, equity investment and asset management in the PRC. As the Group and the Vendor failed to reach a consensus on the terms of the GS Possible Acquisition, the Group entered into a deed of termination with the Vendor, subsequent to the end of the reporting period on 19 October 2017, pursuant to which the GS MOU has been terminated.

The Group will actively identify and explore other investment opportunities to further broaden its assets base into a comprehensive portfolio.

Securities Investments

The Group has further invested surplus funds in a securities listed in Hong Kong during the period. The fair value of the Group’s securities investment amounted to approximately HK\$54.5 million as at 30 September 2017. The Group recorded an unrealised loss on changes in fair value of held for trading investments of approximately HK\$15.4 million during the period as compared to a HK\$17.4 million for the last corresponding period. The management will continue to adopt prudent approach in investment and monitor the stock markets closely and keep looking for opportunities to realise gains from its investment portfolio.

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.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

The Group generally finances its operations with internally generated resources.

As at 30 September 2017, the Group had cash and bank balances of approximately HK\$162.5 million (31 March 2017: approximately HK\$98.1 million) and total borrowings of approximately HK\$5.5 million (31 March 2017: approximately HK\$6.2 million). The Group's gearing ratio, calculated by dividing total borrowings by total equity, was 0.6% as at the end of the period (31 March 2017: 0.7%). The liquidity ratio, being the ratio of current assets over current liabilities as at 30 September 2017 was 4.5 (31 March 2017: 2.99).

There was no material change in the gearing ratio for the period. The improvement in the Group's liquidity ratio was mainly attributable to the decrease in trade payables and bills payables during the period.

FOREIGN EXCHANGE EXPOSURE

Operations of the Group are mainly conducted in Hong Kong dollar ("HK\$"), Renminbi ("RMB"), Euro ("EUR") and United States dollar ("US\$"), and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$, RMB, EUR and US\$.

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 period.

CAPITAL STRUCTURE

As at 30 September 2017, the total number of issued shares of the Company was 3,680,600,000.

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

CHARGES ON GROUP ASSETS

As at 30 September 2017, the vessel of the Group with carrying value of approximately HK\$20.8 million was pledged to secure an other payable, details of which are set out in note 19 to the unaudited condensed consolidated financial statements.

SIGNIFICANT ACQUISITION AND DISPOSAL OF ASSETS

Save as the acquisition 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

During the period, the Group further invested in held-for-trading investment in securities in Hong Kong (the "Securities Investments") amounting to approximately HK\$5.9 million. As at 30 September 2017, the Group had Securities Investments with a market value of HK\$54.5 million, representing an investment portfolio of six listed equities in Hong Kong. The Group recorded an unrealised fair value loss of approximately HK\$15.4 million (period ended 30 September 2016: approximately HK\$17.4 million) in respect of the Securities Investments at the balance sheet date. The details of the Securities Investments as at 30 September 2017 were as follows:

Company name	Stock code	Principal activities	Number of shares held	% of shareholdings	Cost of acquisition HK\$000	Fair value	% of net assets	Unrealised gain/(loss)
						as at 30 September 2017 HK\$000	of the Group as at 30 September 2017	on fair value change for the period HK\$000
1 Hsin Chong Group Holdings Limited	404	Building construction, civil engineering, electrical and mechanical installation, property development and investment.	10,000,000	0.18%	10,000	3,500	0.41%	-
2 Royal Century Resources Holdings Limited (formerly known as Kate China Holdings Limited)	8125	Provision of design and fitting-out services and design and procurement of furnishings and materials, money lending and trading of fine wine.	8,000,000	2.20%	9,600	11,440	1.34%	(10,360)
3 China Best Group Holding Limited	370	Trading of fuel oil, electronic devices and other commodities, the finance leasing business, the money lending business, international air and sea freight forwarding and the provision of logistics services, and trading of securities.	60,000,000	0.83%	12,660	7,060	0.83%	(4,920)

SECURITIES INVESTMENTS HELD (CONTINUED)

Company name	Stock code	Principal activities	Number of shares held	% of shareholdings	Cost of acquisition HK\$000	Fair value	% of	Unrealised	
						as at 30 September 2017 HK\$000	net assets of the Group as at 30 September 2017	gain/(loss) on fair value change for the period HK\$000	
4	Evershine Group Holdings Limited	8022	Travel agency business, trading business, mobile application business, properties development and investment business, cemetery business, money lending business and trading business.	27,000,000	1.65%	9,855	14,850	1.73%	(1,350)
5	Elegance Optical International Holdings Limited	907	Manufacture and trading of optical frames and sunglasses, property investment and investment in debts and securities.	5,000,000	1.29%	13,005	11,200	1.31%	1,200
6	Share Economy Group Limited	1178	Manufacturing and trading of BIOenergy products, healthcare food products, multi-functional water generators, other healthcare products, provision of online sharing platform services and properties investments.	83,850,000	1.41%	5,870	6,457	0.75%	587
						60,990	54,527	(15,443)	

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2017.

COMMITMENTS

Details of the Group's commitments as at 30 September 2017 are set out in note 23 to the unaudited condensed consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2017, the Group employed approximately 71 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 the unaudited condensed consolidated financial statements, 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 2017 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 2017, 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 1,073,680,000 shares (Notes (i), (ii) & (iii))	29.17%	Interest of the controlled corporations

Notes:

- (i) 694,095,140 shares were held by Superb Smart Limited (“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;
- (ii) 14,720,000 shares were held by Good Virtue Capital Limited, a company beneficially owned as to 70% by Ms. Zheng Juhua and 30% by her son, and accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO; and
- (iii) Pursuant to a put option deed (the “Option Deed”) dated 29 April 2016 and executed by Superb Smart in favour of Sea Venture Investments Limited (“Sea Venture”), Sea Venture was granted a right (the “Put Option”) to require Superb Smart to purchase from Sea Venture 364,864,860 shares of the Company (as adjusted after the subdivision of one share of HK\$0.10 each into five subdivided shares of HK\$0.02 each became effective on 5 September 2016 and subject to the adjustment provisions in the Option Deed) (the “Option Shares”) during the period from 29 March 2018 to 28 April 2018 (or such other period commencing from the date of occurrence of a specified event as contained in the Option Deed). As such, Superb Smart, and accordingly, Ms. Zheng Juhua, are deemed to have a long position and to be interested in the relevant Option Shares.

Save as disclosed above, as at 30 September 2017, 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 2017.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2017, 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 1,073,680,000 shares <i>(Notes (i), (ii) & (iii))</i>	29.17%	Interest of controlled corporations
Superb Smart Limited	Long position 1,058,960,000 shares <i>(Notes (i) & (iii))</i>	28.77%	Beneficial owner
Good Virtue Capital Limited	Long position 14,720,000 shares <i>(Note (iii))</i>	0.40%	Beneficial owner
Sea Venture Investments Limited	Long position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Beneficial owner
	Short position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Beneficial owner
China Construction Bank Corporation	Long position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
	Short position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
CCB International Group Holdings Limited	Long position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
	Short position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
CCB Financial Holdings Limited	Long position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
	Short position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations

Name of substantial shareholder	Number of shares	Approximate percentage of shareholding	Capacity
CCB International (Holdings) Limited	Long position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
	Short position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
CCBI Investments Limited	Long position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
	Short position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
Central Huijin Investment Limited	Long position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
	Short position 364,864,860 shares <i>(Note (iii))</i>	9.91%	Interest of controlled corporations
Dragon Mind Holdings Limited	Long position 341,132,000 shares <i>(Note (iv))</i>	9.26%	Beneficial owner
	Short position 341,132,000 shares <i>(Note (iv))</i>	9.26%	Beneficial owner
Managecorp Limited	Long position 341,132,000 shares <i>(Note (iv))</i>	9.26%	Trustee
Mr. Zhang Lirui	Long position 341,132,000 shares <i>(Note (iv))</i>	9.26%	Founder of a discretionary trust

Notes:

- (i) 694,095,140 shares were held by 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.
- (ii) The 14,720,000 shares were held by Good Virtue Capital Limited, a company beneficially owned as to 70% by Ms. Zheng Juhua and 30% by her son, and accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO.

- (iii) The 364,864,860 shares (the “Relevant Shares”) were held by Sea Venture, which is wholly owned by CCBI Investments Limited.

Each of CCBI Investments Limited, CCB International (Holdings) Limited, CCB Financial Holdings Limited and CCB International Group Holdings Limited is wholly owned by China Construction Bank Corporation.

Accordingly, each of CCBI Investments Limited, CCB International (Holdings) Limited, CCB Financial Holdings Limited, CCB International Group Holdings Limited and China Construction Bank Corporation (collectively, the “CCB Companies”) is deemed to be interested in the Relevant Shares under the SFO.

China Construction Bank Corporation is owned as to 57.31% by Central Huijin Investment Limited (“Central Huijin”). Accordingly, Central Huijin is deemed to be interested in the Relevant Shares under the SFO.

Pursuant to the Option Deed, Sea Venture was granted the Put Option. As such, Sea Venture, the CCB Companies and Central Huijin are deemed to have a short position and Superb Smart, and accordingly, Ms. Zheng Juhua, are deemed to have a long position and to be interested in the relevant Option Shares.

- (iv) 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.

Save as disclosed above, the Directors are not aware of any other corporations or person who, as at 30 September 2017, 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

The Company adopted a share option scheme (the “Share Option 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 on 3 September 2013.

The Share Option Scheme shall be valid and effective for a period of 10 years from 2 September 2013, unless otherwise terminated. The purpose of the Share Option Scheme is 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.

The exercise price, vesting period, exercisable period and the number of shares subject to each option will be determined by the Board at the time of grant. No option has been granted by the Company under the Share Option Scheme since its adoption to the date of this report.

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 2017.

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 2017.

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") (formerly known as Kate China Holdings Limited) and its subsidiaries	Money lending business	Chairman and executive director of Royal Century
Ms. Wang Yingqian	Fortunes United International Leasing Co., Ltd ("Fortunes United")	Finance leasing business	Supervisor of Fortunes United
Mr. Chi Chi Hung, Kenneth	DeTai New Energy Group Limited ("DeTai") and its subsidiaries	Money lending business	Executive director of DeTai

As the board of Directors (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 2017.

EVENTS AFTER REPORTING PERIOD

On 14 June 2017, the Group entered into a memorandum of understanding (the “GS MOU”) with an independent third party (the “Vendor”) in relation to a possible acquisition (the “GS Possible Acquisition”) of 100% equity interest in a company together with its subsidiaries which are principally engaged in equity investment funds management, equity investment and asset management in the PRC. As the Group and the Vendor failed to reach a consensus on the terms of the GS Possible Acquisition, the Group entered into a deed of termination with the Vendor, subsequent to the end of the reporting period on 19 October 2017, pursuant to which the GS MOU has been terminated.

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 interim financial statements of the Group for the six months ended 30 September 2017.

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 Jun Yang Financial Holdings Limited (stock code: 397), the shares of which are listed on the Stock Exchange, on 20 October 2017.
Mr. Yu Pak Yan	— resigned as an executive director of Far East Holdings International Limited (stock code: 36), the shares of which are listed on the Stock Exchange, on 31 October 2017.

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 (16 November 2017) 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, Mr. Chan Chi Yuen and Ms. Wang Yingqian; 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
NOBLE CENTURY INVESTMENT HOLDINGS LIMITED
Ms. Zheng Juhua
Chairman

Hong Kong, 16 November 2017