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WINFULL GROUP HOLDINGS LIMITED
宏輝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

FINAL RESULTS

The board of directors (the "Director(s)") (the "Board") of Winfull Group Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2019 (the "Year"), together with the comparative figures for the year ended 30 June 2018:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2019

	Notes	2019 HK$'000	2018 HK$'000
Revenue	4	**42,944**	638,065
Cost of sales		**(16,008)**	(464,260)
Gross profit		**26,936**	173,805
Other income	5	**22,840**	15,329
Administrative expenses and other operating expenses		**(31,650)**	(30,921)
Fair value gain of the investment properties		**18,968**	23,268
Fair value gain of debt instruments at FVTPL		**587**	–
Fair value gain of financial instruments at FVTPL		**4,083**	–
Loss on disposal of debt instruments at FVOCI		**(3,870)**	–
Gain on disposal of an associate		**–**	82,798
Gain/(Loss) on disposal of subsidiaries		**9,055**	(6,821)
Finance costs		**(2,787)**	(2,121)
Profit before income tax	6	**44,162**	255,337
Income tax expense	7	**(1,062)**	(45,004)
Profit for the year		**43,100**	210,333
Profit for the year attributable to:			
Owners of the Company		**42,997**	145,954
Non-controlling interests		**103**	64,379
		43,100	210,333
Earnings per share	9		
Basic and diluted		**HK0.77 cent**	HK2.63 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Profit for the year		**43,100**	210,333
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Changes in fair value of equity instruments at FVOCI		**(895)**	–
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of debt instruments at FVOCI	10	**2,055**	–
Net fair value loss on available-for-sale financial assets		**–**	(5,005)
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets		**–**	(184)
Release of FVOCI reserve upon disposal of debt instruments at FVOCI		**4,167**	–
Exchange differences arising on translation of foreign operations		**2,667**	(41)
Release of non-controlling interest upon disposal of properties under development		**–**	(63,913)
Other comprehensive income for the year, net of tax		**7,994**	(69,143)
Total comprehensive income for the year		**51,094**	141,190
Total comprehensive income for the year attributable to:			
Owners of the Company		**50,991**	140,724
Non-controlling interests		**103**	466
		51,094	141,190

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Notes	2019 HK$'000	2018 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**97,230**	87,563
Investment properties		**1,006,668**	998,852
Available-for-sale financial assets	10	**–**	248,053
Equity instruments at FVOCI	10	**9,145**	–
Financial instruments at FVTPL	10	**288,267**	–
Debt instruments at FVOCI	10	**71,194**	–
Loan receivables		**11,922**	–
Deposits for acquisition of property, plant and equipment		**3,572**	13,023
Deposits for acquisition of investment properties		**3,482**	9,785
Deposits for acquisition of equity instruments		**20,399**	–
		1,511,879	1,357,276
Current assets			
Properties held for trading		**160,939**	175,883
Properties under development		**15,406**	–
Trade receivables	11	**1,579**	2,706
Prepayments, deposits and other receivables		**8,337**	5,177
Loan receivables		**31,888**	–
Debt instruments at FVTPL	10	**15,680**	–
Cash and bank balances		**314,412**	511,508
Pledged bank deposits		**126,729**	64,599
		674,970	759,873
Current liabilities			
Accrued expenses, other payables and deposits received		**10,095**	33,281
Borrowings		**156,658**	106,139
Amounts due to non-controlling shareholders		**17,869**	16,009
Provision for income tax		**25,136**	25,435
		209,758	180,864
Net current assets		**465,212**	579,009
Total assets less current liabilities		**1,977,091**	1,936,285

	Notes	**2019**	2018
		HK$'000	*HK$'000*
Non-current liabilities			
Borrowings		**16,687**	20,308
Deferred tax liabilities		**9,998**	9,998
		26,685	30,306
Net assets		**1,950,406**	1,905,979
EQUITY			
Share capital		**55,481**	55,481
Reserves		**1,895,810**	1,851,486
Equity attributable to owners of the Company		**1,951,291**	1,906,967
Non-controlling interests		**(885)**	(988)
Total equity		**1,950,406**	1,905,979

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Equity attributable to owners of the Company										
	Share capital *HK$'000*	Share premium *HK$'000*	Translation reserve *HK$'000*	Share-based payment reserve *HK$'000*	Revaluation reserve *HK$'000*	Other reserve *HK$'000*	Proposed final dividend *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 July 2017	55,481	1,568,267	91	11,074	6,770	4,377	–	123,180	1,769,240	(1,454)	1,767,786
Lapse of share options	–	–	–	(2,346)	–	–	–	2,346	–	–	–
Release of other reserve upon disposal of properties under development	–	–	–	–	–	(2,997)	–	–	(2,997)	–	(2,997)
Transactions with owners	–	–	–	(2,346)	–	(2,997)	–	2,346	(2,997)	–	(2,997)
Profit for the year	–	–	–	–	–	–	–	145,954	145,954	64,379	210,333
Other comprehensive income:											
Net fair value losses on available-for-sale financial assets (note 10)	–	–	–	–	(5,005)	–	–	–	(5,005)	–	(5,005)
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets (note 5)	–	–	–	–	(184)	–	–	–	(184)	–	(184)
Exchange differences arising on translation of foreign operations	–	–	(41)	–	–	–	–	–	(41)	–	(41)
Release of non-controlling interests upon disposal of properties under development	–	–	–	–	–	–	–	–	–	(63,913)	(63,913)
Total comprehensive income for the year	–	–	(41)	–	(5,189)	–	–	145,954	140,724	466	141,190
2018 proposed final dividend	–	–	–	–	–	–	10,000	(10,000)	–	–	–
At 30 June 2018	55,481	1,568,267	50	8,728	1,581	1,380	10,000	261,480	1,906,967	(988)	1,905,979

	Equity attributable to owners of the Company											
	Share capital	Share premium	Translation reserve	Share-based payment reserve	Revaluation reserve	FVOCI reserve	Other reserve	Proposed final dividend	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 July 2018 as originally presented	**55,481**	**1,568,267**	**50**	**8,728**	**1,581**	**–**	**1,380**	**10,000**	**261,480**	**1,906,967**	**(988)**	**1,905,979**
Initial application of HKFRS 9 (note 2)	**–**	**–**	**–**	**–**	**(1,581)**	**(4,277)**	**–**	**–**	**6,230**	**372**	**–**	**372**
At 1 July 2018 as restated	**55,481**	**1,568,267**	**50**	**8,728**	**–**	**(4,277)**	**1,380**	**10,000**	**267,710**	**1,907,339**	**(988)**	**1,906,351**
2018 final dividend paid (note 8)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(10,000)**	**–**	**(10,000)**	**–**	**(10,000)**
Equity-settled share-based payments	**–**	**–**	**–**	**2,961**	**–**	**–**	**–**	**–**	**–**	**2,961**	**–**	**2,961**
Lapse of share options	**–**	**–**	**–**	**(444)**	**–**	**–**	**–**	**–**	**444**	**–**	**–**	**–**
Transactions with owners	**–**	**–**	**–**	**2,517**	**–**	**–**	**–**	**(10,000)**	**444**	**(7,039)**	**–**	**(7,039)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**42,997**	**42,997**	**103**	**43,100**
Other comprehensive income:												
Changes in fair value of equity instruments at FVOCI (note 10)	**–**	**–**	**–**	**–**	**–**	**(895)**	**–**	**–**	**–**	**(895)**	**–**	**(895)**
Changes in fair value of debts instruments at FVOCI (note 10)	**–**	**–**	**–**	**–**	**–**	**2,055**	**–**	**–**	**–**	**2,055**	**–**	**2,055**
Release of FVOCI reserve upon disposals of debts instruments at FVOCI	**–**	**–**	**–**	**–**	**–**	**4,167**	**–**	**–**	**–**	**4,167**	**–**	**4,167**
Release of FVOCI reserve upon disposals of equity instruments at FVOCI	**–**	**–**	**–**	**–**	**–**	**(876)**	**–**	**–**	**876**	**–**	**–**	**–**
Exchange differences arising on translation of foreign operations	**–**	**–**	**2,667**	**–**	**–**	**–**	**–**	**–**	**–**	**2,667**	**–**	**2,667**
Total comprehensive income for the year	**–**	**–**	**2,667**	**–**	**–**	**4,451**	**–**	**–**	**43,873**	**50,991**	**103**	**51,094**
At 30 June 2019	**55,481**	**1,568,267**	**2,717**	**11,245**	**–**	**174**	**1,380**	**–**	**312,027**	**1,951,291**	**(885)**	**1,950,406**

Other reserve represents the difference between the proportionate share of the carrying amount of its subsidiaries' net liabilities, assignment of debt amount and the consideration received for the disposal of a certain interests in subsidiaries that does not result in loss of control.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. GENERAL INFORMATION

Winfull Group Holdings Limited (the "Company") is an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Unit A, 6/F, 9 Queen's Road Central, Hong Kong. The Company's issued shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 2 December 2010.

The principal activity of the Company is investment holding. During the year, the Group was principally engaged in the property investment and trading, property development and provision of renovation services. There were no significant changes in the Group's operation during the year.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK$'000") unless otherwise stated.

2. ADOPTION OF NEW AND AMENDED HKFRSs

2.1 Adoption of new and amended HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 July 2018:

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKAS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

A. *HKFRS 9 – Financial Instruments ("HKFRS 9")*

(i) *Classification and measurement of financial instruments*

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment and (3) hedge accounting. The adoption of HKFRS 9 from 1 July 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

The following tables summarised the impact, net of tax, of transition to HKFRS 9 on the opening balance of reserves and retained profits as of 1 July 2018 as follows (increase/(decrease)):

	Revaluation reserve *HK$'000*	**FVOCI reserve** *HK$'000*	**Retained profit** *HK$'000*
As at 30 June 2018	1,581	–	261,480
Reclassify investments from available-for-sale at fair value to FVOCI (note 2.1A(i) below)	4,277	(4,277)	–
Reclassify investments from available-for-sale at fair value to FVTPL (note 2.1A(i) below)	(5,858)	–	5,858
Increase in fair value in financial instruments at FVTPL (note 2.1A(i) below)	–	–	372
Restated as at 1 July 2018	–	(4,277)	267,710

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held to maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no material impact on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of HKFRS 9 on the Group's classification and measurement of financial assets is set out below.

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs. A financial asset is classified as: (i) financial assets at amortised cost ("amortised costs"); (ii) financial assets at fair value through other comprehensive income ("FVOCI"); or (iii) FVTPL (as defined in above). The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the "solely payments of principal and interest" criterion, also known as "SPPI criterion"). Under HKFRS 9, embedded derivatives is no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it meets both of the following conditions are met and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

A debt investment is measured at FVOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies would be applied to the Group's financial assets as follows:

FVTPL	These are subsequently measured at fair value. Changes in fair value, dividends and interest income are recognised in profit or loss.
Amortised costs	These are subsequently measured using effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.
FVOCI (debt instruments)	These are subsequently measured at fair value. Interest income calculated using effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
FVOCI (equity instruments)	These are subsequently measured at fair value through other comprehensive income are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss.

(a) As of 1 July 2018, certain investment in listed equity investments were reclassified from available-for-sale financial assets to FVOCI. The Group intends to hold these equity investments for long term strategic purposes. Under HKFRS 9, the Group has designated these equity investments at the date of initial application as measured at FVOCI. As a result, financial assets with a fair value of HK$15,430,000 were reclassified from available-for-sale financial assets at fair value to equity investments at FVOCI.

(b) In addition to (a) above, listed debt investments were reclassified from available-for-sale to FVOCI, as the Group's business model is to collect contractual cash flow and sell these financial assets. These listed debt investments meet the SPPI criterion. As such, listed debt investments with a fair value of HK$104,348,000 were reclassified from available-for-sale investments to debt investments at FVOCI.

(c) As of 1 July 2018, certain unquoted equity investments were reclassified from available-for-sale financial assets at cost to FVTPL. These unquoted equity investments have no quoted price in an active market.

(d) As of 1 July 2018, certain unquoted investment funds were reclassified from available-for-sale at fair value to FVTPL. As a result, these unquoted investment funds with a fair value of HK$30,804,000 were reclassified from available-for-sale investments to financial instruments at FVTPL.

(e) In addition to (d) above, certain unquoted investment funds were reclassified from available-for-sale financial assets at cost to FVTPL. At 1 July 2018, the difference between the previous carrying amount and the fair value of HK$372,000 has been included in the opening retained profits. Also, these unquoted investment funds with a fair value of HK$44,403,000 were reclassified from available-for-sale investments to financial instruments at FVTPL.

The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 July 2018:

Financial assets	**Original classification under HKAS 39**	**New classification under HKFRS 9**	**Carrying amount as at 1 July 2018 under HKAS 39** *HK$'000*	**Carrying amount as at 1 July 2018 under HKFRS 9** *HK$'000*
Listed equity securities	Available-for-sale (at fair value) (note 2.1A(i)(a))	FVOCI	15,430	15,430
Listed debt investments	Available-for-sale (at fair value) (note 2.1A(i)(b))	FVOCI	104,348	104,348
Unlisted equity securities	Available-for-sale (at cost) (note 2.1A(i)(c))	FVTPL	53,441	53,441
Unlisted investment funds	Available-for-sale (at fair value) (note 2.1A(i)(d))	FVTPL	30,804	30,804
Unlisted investment funds	Available-for-sale (at cost) (note 2.1A(i)(e))	FVTPL	44,030	44,402
Trade receivables	Loans and receivables	Amortised cost	2,706	2,706
Other receivables	Loans and receivables	Amortised cost	4,868	4,868
Cash and bank balances	Loans and receivables	Amortised cost	511,508	511,508
Pledged bank deposits	Loans and receivables	Amortised cost	64,599	64,599

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 "incurred loss model" to the "expected credit losses ("ECLs") model". HKFRS 9 requires the Group to recognised ECL for trade receivables, financial assets at amortised costs and debt investment at FVOCI earlier than HKAS 39. Cash and cash equivalents are subject to ECL model but the impairment is immaterial for the current period.

Under HKFRS 9, losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date: and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group's debt investment at FVOCI are considered to have low credit risk since the issuers' credit rating are high.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

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

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investment at FVOCI, loss allowance is recognised in other comprehensive income, instead of reducing the carrying amount of the assets.

Impact of the ECL model

The Group has reviewed and assessed its trade receivables, financial assets at amortised costs and debt investment at FVOCI for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9 and considered the application of ECL model has no significant impact to the consolidated financial statements of the Group as at 1 July 2018.

(iii) *Hedge accounting*

Hedge accounting under HKFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

(iv) *Transition*

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the statement of financial position as at 30 June 2018, but are recognised in the statement of financial position on 1 July 2018. This mean that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained profit and reserves as at 1 July 2018. Accordingly, the information presented for 2018 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of HKFRS 9 (the "DIA"):

- The determination of the business model within which a financial asset is held;
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL; and
- The designation of certain investments in equity investments not held for trading as at FVOCI.

If an investment in a debt investment had low credit risk at the DIA, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

B. HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15")

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations. HKFRS 15 has established a five-steps model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted HKFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings at the date of initial application (that is, 1 July 2018). As a result, the financial information presented for 2018 has not been restated.

The Group has reassessed its business model and contract terms to assess the effects of applying the new standard on the Group's financial statements. The directors of the Company considered that HKFRS 15 did not result in significant impact on the Group's accounting policies.

2.2 New and amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group. The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

HKFRS 16	Leases [1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments [1]
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combinations, HKFRS 11, Joint Arrangements, HKAS 12, Income Taxes and HKAS 23, Borrowing Costs [1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation [1]
Amendments to HKFRS 28	Long-term Interests in Associates and Joint Ventures [1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]
Amendments to HKAS 1 and HKAS 8	Definition of Material [2]
Amendments to HKFRS 3	Definition of a Business [2]

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

2 Effective for annual periods beginning on or after 1 January 2020

3 The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

Those new/revised HKFRSs that might have material impact on the Group's financial statements are set out below:

HKFRS 16 – Leases ("HKFRS 16")

HKFRS 16, which upon the effective date will supersede HKAS 17 Leases and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group will adopt HKFRS 16 from 1 July 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 July 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the consolidated statement of financial position immediately before the date of initial application.

The Group assessed the impacts of adopting HKFRS16 on its consolidated financial statements is immaterial as the Group has no future minimum lease payments under non-cancellable operating leases in respect of a property as at 30 June 2019 (note 35).

Except as described above, the directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements in the future.

3. SEGMENT INFORMATION

The executive directors have identified the Group's five (2018: three) product and service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

There was no inter-segment sale and transfer during the year (2018: nil).

	2019					
	Property Development Business	**Property Investment and Trading Business**	**Renovation Business**	**Security Investment and Trading Business**	**Money Lending Business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment revenue:						
From external customers	**–**	**27,841**	**–**	**14,565**	**538**	**42,944**
Reportable segment profit/(loss)	**(123)**	**48,425**	**(17)**	**1,198**	**407**	**49,890**
Bank interest income	**–**	**15**	**1**	**30**	**1**	**47**
Depreciation	**–**	**2,154**	**5**	**–**	**–**	**2,159**
Fair value gain on investment properties	**–**	**18,968**	**–**	**–**	**–**	**18,968**
Gain on disposal of subsidiaries	**–**	**9,055**	**–**	**–**	**–**	**9,055**
Reportable segment assets	**36,742**	**1,306,045**	**9**	**16,912**	**10,034**	**1,369,742**
Additions to non-current assets	**–**	**483,289**	**–**	**–**	**–**	**483,289**
Reportable segment liabilities	**26,597**	**108,088**	**17**	**6**	**9**	**134,717**

	2018					
	Property Development Business	Property Investment and Trading Business	Renovation Business	Security Investment and Trading Business	Money Lending Business	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Reportable segment revenue:						
From external customers	609,893	28,172	–	–	–	638,065
Reportable segment profit/(loss)	229,412	32,110	(19)	–	(12)	261,491
Bank interest income	–	32	–	–	–	32
Depreciation	–	2,114	8	–	–	2,122
Fair value gain on investment properties	–	23,268	–	–	–	23,268
Gain on disposal of an associate	82,798	–	–	–	–	82,798
Loss on disposal of a subsidiary	–	(6,821)	–	–	–	(6,821)
Reportable segment assets	90	1,302,176	856	–	1,990	1,305,112
Additions to non-current assets	–	117,771	–	–	–	117,771
Reportable segment liabilities	44,378	117,037	16	8	–	161,439

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2019	2018
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Reportable segment revenue	**42,944**	638,065
Consolidated revenue	**42,944**	638,065
Profit before income tax		
Reportable segment profit	**49,890**	261,491
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets	**–**	184
Fair value gain of financial instruments at FVTPL	**4,083**	–
Loss on disposal of debt instruments at FVOCI	**(3,870)**	–
Interest income	**17,961**	10,941
Dividend income	**535**	310
Exchange (losses)/gain, net	**(2,572)**	329
Equity-settled share-based payment	**(2,961)**	–
Corporate salaries and allowances	**(9,955)**	(10,360)
Corporate professional fees	**(4,474)**	(4,128)
Depreciation on corporate property, plant and equipment	**(1,197)**	(12)
Unallocated corporate income	**675**	556
Unallocated corporate expenses	**(3,953)**	(3,974)
Consolidated profit before income tax	**44,162**	255,337
Assets		
Reportable segment assets	**1,369,742**	1,305,112
Property, plant and equipment	**11,829**	2
Available-for-sale financial assets	**–**	248,053
Equity instruments at FVOCI	**9,145**	–
Financial instruments at FVTPL	**263,491**	–
Debt instruments at FVOCI	**71,194**	–
Loan receivables	**21,888**	–
Deposits for acquisition of property, plant and equipment	**3,572**	13,023
Corporate cash and bank balances	**303,549**	482,336
Pledged bank deposits	**126,729**	64,599
Interest receivables	**5,548**	3,977
Other corporate assets	**162**	47
Consolidated total assets	**2,186,849**	2,117,149
Liabilities		
Reportable segment liabilities	**134,717**	161,439
Corporate bank borrowings	**101,461**	49,425
Other corporate liabilities	**265**	306
Consolidated total liabilities	**236,443**	211,170

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

	Revenue from external customer		Non-current assets	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**36,223**	632,632	**1,411,811**	1,267,343
United Kingdom	**5,983**	5,433	**80,954**	81,852
Japan	**738**	–	**19,114**	8,081
	42,944	638,065	**1,511,879**	1,357,276

Geographical location of customers is based on the location at which the services were provided and the goods were delivered. Geographical location of non-current assets is based on the physical location of the assets.

During the year, there was neither revenue from external customers attributable to the Cayman Islands (domicile) (2018: nil) nor non-current assets were located in the Cayman Islands (2018: nil). The country of domicile is the country where the Company was incorporated.

Revenue from the major customers is as follows:

	2019	2018
	HK$'000	*HK$'000*
Customer A *(note)*	**–**	609,893

Note: Derived from the Property Development Business.

Timing of revenue recognition is as follows:

	Property Development Business		Property Investment and Trading Business		Renovation Business		Security Investment and Trading Business		Money Lending Business		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
At a point in time	**–**	609,893	**–**	–	**–**	–	**–**	–	**–**	–	**–**	609,893
Revenue from other source	**–**	–	**27,841**	28,172	**–**	–	**14,565**	–	**538**	–	**42,944**	28,172
	–	609,893	**27,841**	28,172	**–**	–	**14,565**	–	**538**	–	**42,944**	638,065

4. REVENUE

The Group's principal activities are disclosed in note 1 to the financial statements. Revenue from the Group's principal activities recognised during the year is as follows:

	2019 *HK$'000*	2018 *HK$'000*
Revenue from contract with customer		
Sale of properties under development	**–**	609,893
Revenue from other source		
Rental income from investment properties	**27,841**	28,172
Sale of securities	**14,565**	–
Interest income from money lending	**538**	–
	42,944	638,065

5. OTHER INCOME

	2019 *HK$'000*	2018 *HK$'000*
Interest income	**18,546**	10,973
Dividend income	**535**	310
Exchange gain, net	**–**	329
Rental income from properties held for trading	**3,018**	1,319
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets	**–**	184
Sundry income	**741**	2,214
	22,840	15,329

6. PROFIT BEFORE INCOME TAX

	2019 *HK$'000*	2018 *HK$'000*
Profit before income tax is arrived at after charging/(crediting) the following:		
Auditor's remuneration	**520**	480
Cost of inventories recognised as expense, including:		
Cost of properties sold	**–**	463,098
Depreciation	**3,356**	2,134
Employee costs	**15,090**	18,320
Exchange losses/(gain), net	**2,572**	(329)
Fair value gain on investment properties	**(18,968)**	(23,268)
Gain on disposal of an associate	**–**	(82,798)
(Gain)/Loss on disposal of subsidiaries	**(9,055)**	6,821
Minimum lease payments under operating lease rentals for buildings	**262**	–

7. INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying group entities in Hong Kong that are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of group entities in Hong Kong that are not qualifying for the two-tired profits tax rate regime will continue be taxed at a flat rate of 16.5%.

Accordingly, starting from current financial year, the Hong Kong profits tax is calculated at 8.25% on the first HK$2 million or the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million. In 2018, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Income tax in the consolidated income statement is as follows:

	2019	2018
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Provision for the year	**43**	37,100
Under-provision in respect of prior years	**–**	19
	43	37,119
Current tax – Overseas		
Provision for the year	**1,019**	786
	1,062	37,905
Deferred tax	**–**	7,099
Total income tax expense	**1,062**	45,004

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2019	2018
	HK$'000	*HK$'000*
Profit before income tax	**44,162**	255,337
Notional tax on profit or loss before income tax, calculated at the rates applicable to profits in the countries concerned	**7,429**	42,395
Tax effect of non-deductible expenses	**1,704**	3,451
Tax effect of non-taxable revenue	**(7,987)**	(8,127)
Tax effect of temporary difference not recognised	**363**	6,793
Tax effect of prior year's unrecognised tax loss utilised this year	**(547)**	–
Tax effect of unused tax losses not recognised	**100**	473
Under-provision in prior years	**–**	19
Income tax expense	**1,062**	45,004

8. DIVIDENDS

(a) Dividend attributed to the year:

	2019	2018
	HK$'000	*HK$'000*
No proposed final dividend for the year (2018: HK$0.18 cent per share)	**–**	10,000

(b) Dividend attributable to previous year approved and paid during the year:

	2019	2018
	HK$'000	*HK$'000*
Final dividend paid in respect of prior year of HK$0.18 cent (2018: nil) per share	**10,000**	–

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year ended 30 June 2019 is based on profit for the year attributable to owners of the Company of HK$42,997,000 (2018: HK$145,954,000).

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise prices of those share options were higher than the average market price of the Company's shares for the years ended 30 June 2019 and 2018.

10. OTHER FINANCIAL ASSETS

	Measured at FVOCI		**Measured at FVTPL**		**Available-for-sale**	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Non-current						
Equity instruments:						
– Listed in Hong Kong *(note)*	**9,145**	–	**–**	–	**–**	15,430
Financial instruments						
– Unlisted equity investment outside Hong Kong	**–**	–	**90,055**	–	**–**	53,441
– Unlisted investment funds	**–**	–	**198,212**	–	**–**	74,834
	–	–	**288,267**	–	**–**	128,275
Debt instruments						
– Listed in Hong Kong	**28,980**	–	**–**	–	**–**	45,831
– Listed outside Hong Kong	**42,214**	–	**–**	–	**–**	58,517
	71,194	–	**–**	–	**–**	104,348
	80,339	–	**288,267**	–	**–**	248,053
Current						
Debt instruments:						
– Listed in Hong Kong	**–**	–	**7,844**	–	**–**	–
– Listed outside Hong Kong	**–**	–	**7,836**	–	**–**	–
	–	–	**15,680**	–	**–**	–

Movements in other financial assets are summarised as follows:

	Equity instruments at FVOCI		Debt instruments at FVOCI		Debt instruments at FVTPL		Financial instruments at FVTPL		Available-for-sale financial assets	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Net carrying amount at beginning of the year	**–**	–	**–**	–	**–**	–	**–**	–	**248,053**	80,360
Effect on adoption of HKFRS 9 *(note 2.1A(i))*	**–**	–	**–**	–	**–**	–	**372**	–	**–**	–
Reclassification *(note 2.1A(i))*	**15,430**	–	**104,348**	–	**–**	–	**128,275**	–	**(248,053)**	–
Net carrying amount at beginning of the year, after adoption of HKFRS 9	**15,430**	–	**104,348**	–	**–**	–	**128,647**	–	**–**	80,360
Additions	**–**	–	**26,933**	–	**29,454**	–	**168,011**	–	**–**	196,937
Disposals	**(5,390)**	–	**(62,142)**	–	**(14,362)**	–	**(10,722)**	–	**–**	(24,239)
Changes in fair value credited to profit and loss	**–**	–	**–**	–	**587**	–	**4,083**	–	**–**	–
Changes in fair value (debited)/credited to FVOCI reserve (2018: revaluation reserve)	**(895)**	–	**2,055**	–	**–**	–	**–**	–	**–**	(5,005)
Exchange difference	**–**	–	**–**	–	**1**	–	**(1,752)**	–	**–**	–
Net carrying amount at end of the year	**9,145**	–	**71,194**	–	**15,680**	–	**288,267**	–	**–**	248,053

Note:

These equity instruments were irrevocably designated at FVOCI as the directors of the Company consider these investments to be strategic in nature.

Listed equity instruments, listed debts instruments and unlisted investment funds with carrying amounts of HK$9,145,000 (2018: HK$15,430,000), HK$86,874,000 (2018: HK$104,348,000) and HK$74,557,000 (2018: HK$30,804,000) respectively are measured at fair value which has been determined directly by reference to published price and quotations in active markets (2018: same).

Unlisted equity instruments and unlisted investment funds with carrying amounts of HK$90,055,000 (2018: HK$53,441,000) and HK$123,655,000 (2018: HK$36,316,000) respectively are measured at fair value which has been determined by reference to the fair values of the underlying assets and liabilities of each instruments (2018: measured at cost less impairment losses).

As at 30 June 2019, debt instruments measured at FVOCI were determined to be impaired when the instruments are expected to be irrecoverable. In 2019, no impairment on these investments was recognised in profit or loss. As at 30 June 2019, no debt instruments measured at FVOCI was impaired.

As at 30 June 2018, available-for-sale financial assets were individually determined to be impaired when the instruments are identified to be irrecoverable. In 2018, no impairment on these investments was recognised in profit or loss. As at 30 June 2018, the fair value of individual impaired available-for-sale assets was HK$2,635,000.

11. TRADE RECEIVABLES

The Group generally allowed a credit period of 1 month to its trade customers.

Based on the invoice dates, all trade receivables as at 30 June 2019 and 30 June 2018 were aged within 90 days.

All trade receivables are subject to credit risk exposure. Impairment on trade receivables is recognised when the debts are expected to be irrecoverable (2018: when the debts are identified to be irrecoverable) for the year ended 30 June 2019.

Based on the due dates, no trade receivables as at 30 June 2019 and 30 June 2018 was past due nor impaired.

As at 30 June 2019, there was no amount denominated in a currency other than the functional currency of the entity to which they relate (2018: nil).

Receivables that were neither past due nor impaired were due from the customers for whom there was no recent history of default.

The directors of the Company consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

12. MATERIAL RELATED PARTY TRANSACTIONS

12.1 The following transactions were carried out with the related parties:

	2019	2018
	HK$'000	*HK$'000*
Professional fees paid to a related company in which one of the director of the Company is a partner	**302**	1,117
Rental expense paid to a related company owned by one of the substantial shareholders of the Company	**262**	–
	564	1,117
Rental income on investment properties, received from a related company owned by one of the substantial shareholders of the Company	**509**	506

These transactions were conducted at pre-determined prices in accordance with terms mutually agreed between the Group and these related parties. These transactions are conducted in the normal course of business.

12.2 Key management personnel compensation

	HK$'000	*HK$'000*
Short-term employee benefits	**12,239**	16,406

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group was principally engaged in property investment and trading, property development and provision of renovation services.

During the Year, the Group was engaged in one property development project in the United Kingdom (the "UK"). The Group has eight potential investment properties, which are commercial and industrial properties located in Hong Kong, the UK and Japan, and two trading properties, which are commercial properties in Hong Kong.

The Hong Kong economy expanded modestly in the second half of this financial year, expanding by approximately 0.6% over a year earlier. The weaker performance of the global economy and various external headwinds continued to weigh on Hong Kong's economy. Domestic demand also lacked momentum. Private consumption expenditure only showed marginal expansion in the face of the challenging economic environment. Overall investment expenditure continued to fall as business sentiment has turned cautious. Various external headwinds, including the uncertainties stemming from the US trade policy, Brexit and geopolitical tensions also persisted. On US-Mainland trade tensions in particular, the additional tariffs already implemented, together with the associated uncertainties, remained a dampener on global trade growth.

The residential property market rebounded in 2019, after undergoing a consolidation in the second half of 2018. Trading activities picked up notably and flat prices rebounded strongly in 2019. Reflecting the Government's sustained efforts to increase land and flat supply, total private flat supply in the coming three to four years would stay at a high level of 93,000 units. The commercial and industrial property markets were generally lacklustre in the first half of 2019, with thin trading and prices saw further declines during the Year, while rentals exhibited diverse movements in different market segments. Prices and rentals of retail shop space declined during the Year. As a result, the average rental yield edged up from 2.4% to 2.5%.

FINANCIAL REVIEW

For the Year, the Group recorded a turnover of approximately HK$42,944,000, representing a decrease of approximately 93.3% compared with that of approximately HK$638,065,000 for the last financial year. The decrease in turnover was mainly attributed to the increase in turnover from the property development business as a result of the disposal of its 51% equity interest in and all outstanding shareholdings' loan of Plan Link Limited, which holds a development project at Nos. 142-154 Carpenter Road, Kowloon, Hong Kong (the "Carpenter Road Property Project") in the last financial year.

Profit before income tax of the Group for the Year was approximately HK$44,162,000, representing a decrease of approximately 82.7% compared with that of approximately HK$255,337,000 for the last financial year. The decrease in profit for the Year was mainly attributable to the two one-off gains derived in the last financial year (i) the disposal of its 51% equity interest in the Carpenter Road Property Project, as disclosed in the circular of the Company dated 28 September 2017; (ii) the disposal of its 30% equity interest in and all outstanding shareholdings' loan of Apex Plan Limited, which holds a development project at Nos. 18-32 Junction Road, Kowloon, Hong Kong (the "Junction Road Property Project"), as disclosed in the circular of the Company dated 9 June 2017; thus, the profit attributable to shareholders of the Company (the "Shareholder(s)") for the Year amounted to approximately HK$42,997,000, compared with that of approximately HK$145,954,000 for the last financial year.

BUSINESS OVERVIEW

Property Development Business

During the Year, the Group is engaged in one property development project, which is located in Birmingham, the UK.

It is a property development project at 50 School Road, Moseley, Birmingham, the UK (the "UK Property Project"). The project has a site area of 15,800 square feet and it can be developed into a residential building with gross floor area of approximately 12,000 square feet. The acquisition of the land was completed on 26 October 2018 and the development planning has been commenced and the development is expected to be completed in mid of 2020.

The Group considers that this new development project in the UK provides a good opportunity for the Group to diversify its overall property portfolio and gain more experience in property development in the UK. The Group will continue to explore potential property development opportunities both in Hong Kong and overseas, to enhance the benefit of the Shareholders while overcoming the challenges ahead.

Property Investment and Trading

During the Year, the Group has ten potential commercial and industrial properties for investment and trading purpose, which are located in Hong Kong, a potential commercial property in Cardiff, the UK, and a serviced apartment in Niseko, Japan for investment purpose. Details of those properties are as follows:

Roof of Block C of Sea View Estate, North Point

This property is located at the front portion of the roof of Sea View Estate in North Point, which is facing the South of Victoria Harbour in Hong Kong Island. The Group believes that it can be converted into an eye-catching rooftop advertising signage of approximately 300 square meters. The construction of the advertising steel frame and LED signage were completed last financial year. The Group has engaged an advertising agent in looking for appropriate potential tenant for the signage.

Retail Shop Units at Grand Scholar, No. 419K Queen's Road West

The property is located at Grand Scholar, No. 419K Queen's Road West, Hong Kong. It has two shops, including shops on ground floor and on lower ground 1st floor. The property has a total gross floor area of approximately 10,300 square feet and has been leased to a church for a fixed term of three years. The Group believes that the property can provide a stable future income for the Group.

Whole Floor of Kenning Industrial Building at 19 Wang Hoi Road, Kowloon Bay

The property is located at 4th Floor of Kenning Industrial Building, No. 19 Wang Hoi Road, Kowloon Bay, Hong Kong in proximity to the Kowloon Bay MTR station. The property has a total gross floor area of approximately 16,500 square feet and the whole floor has been leased during the Year. One of the units, which occupied approximately 30% of the floor, is now looking for potential tenant. The Group believes that the property can provide a stable future income and long term appreciation in value.

Atlantic House at Cardiff, United Kingdom

The property is located at Cardiff, the United Kingdom with a total net floor area of approximately 42,000 square feet. The property consists of two office buildings which are individually let to two tenants, including a law firm and university. The existing gross rental yield of the property is more than 7%. Cardiff is the major office market within Wales and one of the major regional centres in the United Kingdom. The Group believes that it was a good opportunity for holding the property for long term investment and diversification of the properties portfolio.

Whole floor of 9 Queen's Road Central

The property is located at the 6th Floor of 9 Queen's Road Central, Hong Kong and is a commercial property with gross floor area of approximately 11,371 square feet. A portion of the property is currently used by the Group as its own office, while the remaining portion has been rented out to various independent third parties for rental income. The Group believes that the property can provide a stable future income with the possibility of future long term appreciation in value.

Office units and carpark space of Universal Trade Centre at 3 Arbuthnot Road

The 4 office units are located on 30th and 13th floors of Universal Trade Centre, No. 3 Arbuthnot Road, Central, Hong Kong. They have a total gross floor area of approximately 5,600 square feet. The office units have been leased to independent third parties.

Office unit of Arion Commercial Centre at 2–12 Queen's Road West

The property is located at Arion Commercial Centre at 2–12 Queen's Road West, Hong Kong and has a gross floor area of approximately 1,650 square feet. This office unit has been leased to a translation company, which is wholly owned by Mr. Pong Wilson Wai San, with the monthly rent of HK$46,000. The rent was determined after arm's length negotiation with reference to the monthly rental of other similar premises in the Hong Kong market and the professional valuation report.

Whole office floor of Far East Consortium Building at 121 Des Voeux Road Central

The property is a whole floor office unit located on 15th Floor of Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong, which is an office building in Central district, with a gross floor area of approximately 7,300 square feet. It has been leased out to an independent third party with a stable income to the Group.

Shops and signage at Lime Stardom Tai Kok Tsui

Two retail shops and 2 signages were acquired by the Group on 5 March 2018. The shops are located at Lime Stardom, Tai Kok Tsui with outstanding feature, such as curtain wall design and high ceiling. Hotels and shopping malls are within the proximity, together with the upcoming redevelopment and residential projects in the neighborhood. Tai Kok Tsui will definitely become one of the new focuses of the city with high growth potential. In view of this, the properties are acquired for short-term trading purpose. Both shops have been leased to independent third party with acceptable yield.

Serviced Apartment at Skye Niseko, Niseko, Hokkaido, Japan

Skye Niseko is located at the top of Upper Hirafu village, Niseko, Japan. It is a brand new serviced apartments with ski-in ski-out access to ski resorts and provide full range of hotel services. It is managed by HTM KK, which is the one of the premier asset manager in the Niseko area with expertise and experience in effectively managing hospitality and tourism in Niseko. The apartment unit acquired by the Group has a total floor area of approximately 1,400 square feet. The construction of the serviced apartments was completed in August 2018 and it has commenced its operation from December 2018. The Group believes that it is a good opportunity for investing in Japan real estate for long term investment and diversification of the property portfolio.

The Group is optimistic about the prospect of the commercial and industrial property market in Hong Kong and the UK in the long run. It considers that the properties represent a good investment opportunity and the Group will benefit from the long term appreciation of the property prices in Hong Kong and the United Kingdom.

During the Year, the segment of property investment and trading business recorded a total rental income of approximately HK$30,859,000 (2018: approximately HK$29,491,000), including revenue of approximately HK$27,841,000 (2018: approximately HK$28,172,000) and rental income in other income of approximately HK$3,018,000 (2018: approximately HK$1,319,000). This segment is expected to provide a significant and steady income source to the Group.

Securities Investment and Trading

The Group maintains a portfolio of stocks and other investments products which generate high yield. The Group has taken into account of the following criteria when determining whether to take up an investment and trading opportunity: (i) potential for return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

As at 30 June 2019, the Group recorded a gain in fair value of financial assets at fair value through profit or loss of approximately HK$587,000 (2018: Nil).

As a result, the Group reported a segment profit of approximately HK$1,198,000 (2018: Nil) during the Year. The Group received interest income from those bond investments for this segment of approximately HK$449,000 during the year under review. As at 30 June 2019, the carrying amount of the investments for this segment amounted to HK$15,680,000 (2018: Nil). This value represents an investment portfolio comprising 4 bond investments.

Loan Financing

During the Year, the Group recorded an interest income from the loan financing business amounting to approximately HK$538,000 (2018: Nil), representing approximately 1% of the total revenue of the Group. Profit derived from loan financing business was approximately HK$407,000 for the Year (2018: Nil). The carrying amount of loans receivable as at 30 June 2019 was approximately HK$10,000,000 (2018: Nil).

PROSPECTS

The Hong Kong economy sustained modest year-on-year growth of over 1.2% for the Year and the property market was generally lacklustre for the Year. Rising flat supply through increasing land supply is Government's top policy priority in ensuring a healthy development of the property market. The Government would continue to put up sales suitable sites in the coming year to meet the annual target.

While the weaker performance of the global economy continued so far this Year, external uncertainties increased markedly toward the end of the Year, as a result of the escalation of the US' trade conflicts with the Mainland and the Brexit. These could weigh on global economic sentiment as well as trade and investment activities going forward. In view of the weakened economic outlook and subdue inflation, major central banks have adopted a more accommodative monetary policy stance. Waning expectations of further monetary normalization by the major central banks helped fuel market sentiment, interest rates in Hong Kong may generally follow the same policy in the near future.

With a view to broaden the revenue base, two new segments of business, investment and trading in securities and money lending, have been set up during the Year. The Group has maintained a portfolio bond investments and loans which generate high yield. The Group has taken into account of established criteria when determining whether to take up an investment and trading opportunity, especially for risks exposure in comparison with the Group's risk tolerance level at the prevailing time.

Despite the uncertainties in Hong Kong and global economy, we are confident that Hong Kong will remain relevant and vital in its own right and as part of China. With the purpose of offering better returns to the Shareholders, the Group decided to concentrate on property investment and trading, and development businesses. The Group believed that the businesses of property development and property investment and trading both locally and internationally, together with new business segment of the investment and trading in securities, can broaden the revenue base and benefit the Company and the Shareholders as a whole in the long run. The Group will continue to explore potential property and securities investment and trading opportunities with a view to have a diversified and balanced portfolio and to provide steady income source to the Group. The Group is conscious to monitor and analyze the local and global economies so as to make cautious business decisions and to adjust our development plan if necessary so as to maximize the return to the Shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2019, the Group had net current assets of approximately HK$465,212,000 (2018: approximately HK$579,009,000) including cash and bank balances of approximately HK$314,412,000 (2018: approximately HK$511,508,000).

The gearing ratio was approximately 8% as at 30 June 2019 (2018: approximately 6%). The gearing ratio is derived by dividing the total of borrowings by total assets. The gearing ratio has increased for the Year when compared to 30 June 2018 due to borrowing of more foreign loans for oversea investments during the Year.

During the Year, the Group financed its operations with its own working capital and bank borrowings. As at 30 June 2019, the secured bank borrowing of the Group was approximately HK$173,345,000 (2018: approximately HK$126,447,000), in which approximately HK$126,137,000 (2018: approximately HK$71,811,000) are repayable within a period of not exceeding 5 years and approximately HK$47,208,000 are repayable beyond 5 years (2018: approximately HK$54,636,000), and there was no other borrowing as at 30 June 2019 (2018: Nil).

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 13 July 2018, Alpha Easy Limited ("Alpha Easy") (a wholly-owned subsidiary of the Company) as vendor, Ms. Hon Ching Lan ("Ms. Hon") as purchaser and the Company as the Alpha Easy's guarantor entered into the provisional agreements, pursuant to which (i) Alpha Easy has agreed to sell and Ms. Hon has agreed to purchase the entire issued share capital in and all debts owing to Alpha Easy by Enviro Global Limited (a wholly-owned subsidiary of the Company) for a consideration of HK$19,070,500 and (ii) Alpha Easy has agreed to sell and Ms. Hon has agreed to purchase the entire issued share capital in and all debts owing to Alpha Easy by Sonic Returns Limited (a wholly-owned subsidiary of the Company) for a consideration of HK$33,669,000, respectively. These transactions were completed on 19 October 2018.

For details of the transactions, please refer to the Company's announcements dated 13 July 2018 and 19 October 2018.

On 5 October 2018, Winter Cherishing Limited ("Winter Cherishing") (a wholly-owned subsidiary of the Company) entered into the subscription agreement, pursuant to which Winter Cherishing shall subscribe for a participation in TKO Shops Separate Account Limited with capital commitment of HK$30 million.

For details of the transaction, please refer to the Company's announcement dated 5 October 2018.

On 13 March 2019, World Fair Global Limited ("World Fair Global") (a wholly-owned subsidiary of the Company) entered into the conditional sale and purchase agreement dated 13 March 2019 with Mr. Au Wing Wah and Ms. Kong Pik Fan, pursuant to which World Fair Global shall acquire 20 issued shares of Universal Honor Holdings Limited ("Universal Honor"), representing 20% of the issued share capital of Universal Honor, and 20% of all obligations, liabilities and debts owing or incurred by Universal Honor from Mr. Au Wing Wah and Ms. Kong Pik Fan for a total consideration of HK$67,999,960.

For details of the transaction, please refer to the Company's announcements dated 13 March 2019 and 19 March 2019.

As the relevant percentages of the above transactions exceed 5% but all below 25%, the above transactions constitute discloseable transactions on the part of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

During the Year, those securities investments held by the Group are as follows:

	Cost as at 30 June 2019 *HK$'000*	Carrying amount as at 30 June 2019 *HK$'000*	Outstanding commitment as at 30 June 2019 *HK$'000*	Total of carrying amount and commitment as at 30 June 2019 *HK$'000*	Gain/(loss) in fair value during the Year *HK$'000*	Gain/(loss) on disposal during the Year *HK$'000*	Dividends/ interests received during the Year *HK$'000*
NON-CURRENT							
Equity instruments at fair value through other comprehensive income							
Listed equity securities – Hong Kong	9,124	9,145	–	9,145	(895)	–	535
Financial instruments at fair value through profit and loss							
Unlisted equity investment – outside Hong Kong	91,300	90,055	29,385	119,440	–	–	–
Unlisted investment fund	186,828	198,212	104,118	302,330	4,083	–	421
	278,128	288,267	133,503	421,770	4,083	–	421
Debt instruments at fair value through other comprehensive income							
Listed debts investments – Hong Kong	29,052	28,980	–	28,980	904	(1,926)	1,598
Listed debts investments – outside Hong Kong	43,043	42,214	–	42,214	1,151	(1,944)	2,481
	72,095	71,194	–	71,194	2,055	(3,870)	4,079
	359,347	368,606	133,503	502,109	5,243	(3,870)	5,035
CURRENT							
Debt instruments at fair value through profit or loss							
Listed debts investments – Hong Kong	7,603	7,844	–	7,844	241	–	227
Listed debts investments – outside Hong Kong	7,489	7,836	–	7,836	346	–	222
	15,092	15,680	–	15,680	587	–	449
	374,439	384,286	133,503	517,789	5,830	(3,870)	5,484

The total size of carrying amount and outstanding commitment for each of those investments as at 30 June 2019 represents approximately 0.01% to 1.78% of the total assets of the Group as at 30 June 2019. It is the strategy of the Group to seek any opportunistic investments to enhance the yield of the surplus cash held by the Group on medium and long-term basis.

Save for those disclosed above and in this announcement, there were no significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies during the Year and there is no plan for material investments or capital assets as at the date of this announcement.

PLEDGE OF ASSETS

As at 30 June 2019, the leasehold properties and certain investment properties with carrying amount of approximately HK$84,096,000 and approximately HK$548,654,000 (2018: approximately HK$85,848,000 and approximately HK$542,852,000) respectively and bank deposits of approximately HK$126,729,000 (2018: approximately HK$64,599,000) were pledged to secure bank borrowings for the Group.

CONTINGENT LIABILITIES

As at 30 June 2019, the Company has no guarantees (2018: Nil).

LEASE AND CONTRACTED COMMITMENTS

As lessee

At 30 June 2019, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

	2019	2018
	HK$'000	*HK$'000*
Within one year	**–**	144
In the second to fifth years	**–**	132
	–	276

In 2018, the Group leased a property under an operating lease. The lease runs for an initial period of two years, with an option to renew the lease and renegotiated the terms at the expiry date or at date as mutually agreed between the Group and respective lessor. None of the lease includes contingent rental.

As lessor

At 30 June 2019, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

	2019	2018
	HK$'000	*HK$'000*
Within one year	**23,986**	29,189
In the second to fifth years	**20,372**	26,559
	44,358	55,748

The Group leases its properties under operating lease arrangements which run for an initial period of one to fifteen years (2018: two to fifteen years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. None of the leases include contingent rentals.

CAPITAL COMMITMENTS

	2019	2018
	HK$'000	*HK$'000*
Contracted but not provided for:		
Available-for-sale financial assets	**–**	167,741
Financial instruments at FVTPL	**133,503**	–
Equity instruments	**47,600**	–
Investment properties	**13,631**	23,415
	194,734	191,156

FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the Year were denominated in United States dollars ("US$"), British Pound ("GBP"), Euro ("EUR"), Japanese Yen ("JPY"), and HK dollars ("HK$"), and most of the assets and liabilities as at 30 June 2019 were denominated in US$, GBP, EUR and JPY, and HK$. Accordingly, the Board is of the view that, to a certain extent, the Group is exposed to foreign currency exchange risk. For the US$ foreign exchange exposure, the Board believes the exposure is small as the exchange rate of US$ to HK$ is comparatively stable. However, the Group is exposed to GBP, EUR and JPY foreign exchange exposure and fluctuation of exchange rates of GBP, EUR and JPY against HK$ could affect the Group's results of operations. During the Year, foreign currency banking facilities for GBP, EUR and JPY were arranged for acquisition of properties and investments in these currencies to hedge for foreign exchange exposure.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 13 May 2016, the Company entered into the placing agreement pursuant to which the Company has conditionally agreed to place through Sanfull Securities Limited, on a best effort basis, up to 420,000,000 placing shares of the Company at the placing price of HK$0.15 per placing share of the Company to not less than six placees who and whose beneficial owners shall be independent third parties. The allotment of new shares of the Company was completed on 25 May 2016. The actual net proceeds from the placing were approximately HK$62.4 million, of which HK$50 million is intended for the costs, expenses and obligations of the property development project and the remaining HK$12.4 million for general working capital of the Group. Details of the placing were set out in the announcement of the Company dated 15 May 2016 and the next day disclosure return of the Company dated 25 May 2016. HK$50 million and HK$12.4 million were used up as at 30 June 2019 for property development and administrative and other operating expenses of the Group, respectively. For the year ended 30 June 2018, HK$2.6 million was used for building demolition costs for the Carpenter Road Property Project and HK$35 million was used for partial repayment of construction loan, finance costs and legal and professional fees for the Junction Road Property Project. For the Year, HK$7.9 million was used for part of the consideration for acquisition of the UK Property Project.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SEGMENT INFORMATION

The analysis of the principal activities and geographical locations of the operations of the Group are set out in note 3 to the financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group had 13 (2018: 13) employees, including the Directors. Total staff costs (including Directors' emoluments) were approximately HK$15,090,000 for the Year as compared to approximately HK$18,320,000 in last year. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and share option scheme.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2018: HK0.18 cent).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 November 2019 to Friday, 29 November 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to attend the forthcoming annual general meeting of the Company, all transfer of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 25 November 2019.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report to the Appendix 14 (the "CG Code") to the Listing Rules. The Company has complied with all CG Code during the Year.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the Year.

REMUNERATION COMMITTEE

According to the Listing Rules, the Company has to set up a remuneration committee comprising a majority of independent non-executive Directors. The remuneration committee of the Company (the "Remuneration Committee") was established on 23 March 2007 with the latest written terms of reference adopted on 30 March 2012. As at the date of this announcement, the Remuneration Committee consists of four members, of which Mr. Pong is executive Director and the other three are independent non-executive Directors, namely Mr. Koo Fook Sun Louis ("Mr. Koo"), Mr. Lung Hung Cheuk ("Mr. Lung") and Ms. Yeung Wing Yan Wendy ("Ms. Yeung"), which schedules to meet at least once a year. The chairman of the Remuneration Committee is Mr. Lung and the quorum necessary for the transaction of business is two.

The latest terms of reference of the Remuneration Committee are posted on the websites of the Stock Exchange and the Company.

The roles and functions of the Remuneration Committee include making recommendation to the Board on the remuneration packages of individual executive Directors, which include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board on the remuneration of non-executive Directors.

The Remuneration Committee held 3 meetings during the Year to review the remuneration packages of all the Directors and senior management of the Company.

NOMINATION COMMITTEE

According to code provision A.5 of the CG Code, the Company has to set up a nomination committee comprising a majority of independent non-executive Directors. The nomination committee of the Company (the "Nomination Committee") was established on 12 November 2007 with the latest written terms of reference adopted on 30 March 2012. As at the date of this announcement, the Nomination Committee consists of four members, of which Mr. Pong is executive Director and the other three are independent non-executive Directors, namely Mr. Koo, Mr. Lung and Ms. Yeung, which schedules to meet at least once a year. The chairwoman of the Nomination Committee is Ms. Yeung and the quorum necessary for the transaction of business is two.

The latest terms of reference of the Nomination Committee are posted on the websites of both the Stock Exchange and the Company.

The roles and functions of the Nomination Committee include nomination of the potential candidates for directorship, reviewing the nomination of the Directors, making recommendations to the Board for ensuring that all nominations are fair and transparent, reviewing and monitoring the implementation of the policy of diversity of the Board (the "Board Diversity Policy").

The Nomination Committee formulated the Board Diversity Policy. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(A) at least one-third of the members of the Board shall be independent non-executive Directors;

(B) at least three of the members of the Board shall be independent non-executive Directors; and

(C) at least one of the members of the Board shall have obtained accounting or other professional qualifications.

The Board has achieved the measurable objectives under Board Diversity Policy for the Year.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee also monitors the implementation of the Board Diversity Policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under the Board Diversity Policy.

The Nomination Committee held 4 meetings during the Year to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, make recommendations to the Board relating to the renewal services of non-executive Director and independent non-executive Directors and to review the Board Diversity Policy.

AUDIT COMMITTEE

According to the Listing Rules, the Company has to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The audit committee of the Company (the "Audit Committee") was established on 2 May 2002 with the latest written terms of reference effective from 1 January 2019. During the Year, the Audit Committee was chaired by Mr. Koo and as at the date of this announcement, all Audit Committee members are independent non-executive Directors, namely Mr. Koo, Mr. Lung and Ms. Yeung.

The latest terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The primary duties of the Audit Committee are to review and supervise the financial control, risk management and internal control systems of the Group and provide advice and comment on the Company's draft annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports to Directors.

The Audit Committee held 4 meetings during the Year and had reviewed the audited consolidated financial statements for the year ended 30 June 2018 and the unaudited consolidated financial statements for the three months ended 30 September 2018, six months ended 31 December 2018 and nine months ended 31 March 2019 respectively, with the recommendations to the Board for approval; and to review the accounting principles and policies adopted by the Group and its financial reporting functions and risk management and internal control systems. During the Year, the Audit Committee met the Company's auditor three times.

The Group's unaudited consolidated quarterly, interim results and audited consolidated annual results for the Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee has also reviewed the audited consolidated financial statements for the Year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated financial statements and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, BDO Limited, as to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

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

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

APPRECIATION

I would like to take this opportunity to express my appreciation to the Shareholders for their support, to the management and staff for their dedicated efforts to the Group and to our clients, consultants and partners for all their valuable assistance offered during this past year.

By order of the Board
Winfull Group Holdings Limited
PONG WILSON WAI SAN
Chairman

Hong Kong, 27 September 2019

As at the date of this announcement, the executive Directors are Mr. Pong Wilson Wai San and Mr. Lee Wing Yin, the non-executive Director is Mr. Lai Hin Wing Henry and the independent non-executive Directors are Mr. Koo Fook Sun Louis, Ms. Yeung Wing Yan Wendy and Mr. Lung Hung Cheuk.