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GOLDBOND GROUP HOLDINGS LIMITED
金 榜 集 團 控 股 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00172)

PRELIMINARY ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018 AND CLOSURE OF REGISTER OF MEMBERS

The board of directors (the "Board") of Goldbond Group Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2018 (the "Year") together with comparative figures.

FINANCIAL HIGHLIGHTS

	2018	2017
	HK$'000	*HK$'000*
OPERATING RESULTS		
Revenue	**263,050**	81,371
Loss for the year	**(307,617)**	(1,422,818)
Loss for the year attributable to owners of the Company	**(307,617)**	(1,422,818)
Total comprehensive expense for the year attributable to owners of the Company	**(237,311)**	(1,542,115)
Basic loss per share	**HK(11.14) cents**	HK(51.52) cents
FINANCIAL POSITION		
Equity attributable to owners of the Company	**511,087**	745,254

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	3	**263,050**	81,371
Other income		**9,917**	23,305
Cost of sales of trading business		**(245,067)**	(56,669)
Staff costs		**(19,281)**	(20,242)
Other operating expenses		**(42,119)**	(13,084)
Impairment, net of other gain, on interest in a joint venture		**–**	(250,377)
Impairment loss on interest in an associate		**(7,170)**	(20,680)
Impairment loss on loan to a joint venture		**–**	(44,424)
Impairment losses on advances provided to customers		**(137,273)**	(11,110)
Finance costs		**(832)**	(724)
Share of loss of a joint venture		**(2,895)**	(999,504)
Share of loss of associates		**(123,445)**	(97,300)
Loss before taxation	5	**(305,115)**	(1,409,438)
Taxation	6	**(2,502)**	(13,380)
Loss for the year		**(307,617)**	(1,422,818)
Other comprehensive income (expenses)			
Items that will not be reclassified to profit or loss			
Exchange differences arising on translation to presentation currency attributable to:			
The Group		**53,848**	(38,362)
A joint venture		**326**	(60,983)
An associate		**16,132**	(19,952)
Other comprehensive income (expenses) for the year		**70,306**	(119,297)
Total comprehensive expense for the year		**(237,311)**	(1,542,115)
Loss for the year attributable to owners of the Company		**(307,617)**	(1,422,818)
Total comprehensive expense for the year attributable to owners of the Company		**(237,311)**	(1,542,115)
Loss per share	8		
– Basic and diluted		**HK(11.14) cents**	HK(51.52) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Equipment		**948**	2,187
Interest in a joint venture		**–**	2,569
Interests in associates		**74,846**	185,526
Loan to an associate		**1,470**	1,470
Advances provided to customers	10	**–**	132,319
Club debentures		**18,179**	16,545
		95,443	340,616
Current assets			
Accounts receivable	9	**53,750**	14,955
Advances provided to customers	10	**160,494**	143,953
Prepayments, deposits and other receivables		**3,614**	1,912
Structured deposits		**96,543**	14,921
Short term bank deposits			
– with original maturity within three months		**197,055**	234,877
– with original maturity more than three months		**72,164**	19,101
Bank balances and cash		**27,479**	20,324
		611,099	450,043
Current liabilities			
Bills and other payables	11	**185,333**	36,371
Taxation		**3,740**	3,484
		189,073	39,855
Net current assets		**422,026**	410,188
Total assets less current liabilities		**517,469**	750,804

	2018	2017
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**829,209**	829,209
Reserves	**(318,122)**	(83,955)
Total equity	**511,087**	745,254
Non-current liability		
Redeemable convertible preference shares	**6,382**	5,550
	517,469	750,804

Notes:

1. BASIS OF PREPARATION

The financial results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations ("INT") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"). The financial results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

The financial information relating to the financial years ended 31 March 2018 and 2017 included in this preliminary announcement of the annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 March 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 March 2018 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of the annual improvements to HKFRSs 2014 – 2016 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE

Revenue for the year represents income received and receivable from the sale of goods, provision of factoring service and financing service. It also represents the turnover of the Group.

	2018	2017
	HK$'000	*HK$'000*
Revenue from the sale of goods	**245,543**	56,749
Factoring service income	**13,644**	15,386
Financing service income	**3,863**	9,236
	263,050	81,371

4. SEGMENT INFORMATION

The Group's operating segments, identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker ("CODM"), in order to allocate resources to the segments and to assess performance, are summarised as follows:

(a) trading segment: sales of goods, which was a new business undertaken by the Group during the year ended 31 March 2017;

(b) factoring service segment: provision of factoring services; and

(c) financing service segment: provision of financing services.

The segment information is reported below.

Segment revenue and results

An analysis of the Group's revenue and results by reportable and operating segments is as follows:

For the year ended 31 March 2018

	Trading	**Factoring service**	**Financing service**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue from customers	**245,543**	**13,644**	**3,863**	**263,050**
Segment results before impairment losses	**3,708**	**9,407**	**2,628**	**15,743**
Impairment losses on advances provided to customers	**–**	**–**	**(137,273)**	**(137,273)**
Segment results	**3,708**	**9,407**	**(134,645)**	**(121,530)**
Unallocated other income				**5,386**
Impairment loss on interest in an associate				**(7,170)**
Central administration costs				**(27,376)**
Net exchange loss				**(27,253)**
Finance costs				**(832)**
Share of loss of a joint venture				**(2,895)**
Share of loss of associates				**(123,445)**
Loss before taxation				**(305,115)**

For the year ended 31 March 2017

	Trading *HK$'000*	Factoring service *HK$'000*	Financing service *HK$'000*	Total *HK$'000*
Revenue from customers	56,749	15,386	9,236	81,371
Segment results before impairment losses	(291)	12,548	8,247	20,504
Impairment loss on loan to a joint venture	–	–	(44,424)	(44,424)
Impairment losses on advances provided to customers	–	–	(11,110)	(11,110)
Segment results	(291)	12,548	(47,287)	(35,030)
Unallocated other income				9,109
Impairment, net of other gain, on interest in a joint venture				(250,377)
Impairment loss on interest in an associate				(20,680)
Central administration costs				(28,446)
Net exchange gain				13,514
Finance costs				(724)
Share of loss of a joint venture				(999,504)
Share of loss of associates				(97,300)
Loss before taxation				(1,409,438)

Segment results represent the profit earned by each segment, without allocation of impairment, net of other gain, on interest in a joint venture, impairment loss on interest in an associate, central administration costs, other income (primarily certain interest income from bank deposits), net exchange (loss) gain, finance costs, share of loss of a joint venture and share of loss of associates. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable segments is as follows:

As at 31 March 2018

	Trading *HK$'000*	**Factoring service** *HK$'000*	**Financing service** *HK$'000*	**Total** *HK$'000*
Assets				
Segment assets	**217,076**	**161,271**	**145**	**378,492**
Interests in associates				**74,846**
Loan to an associate				**1,470**
Unallocated assets				**251,734**
Total assets				**706,542**
Liabilities				
Segment liabilities	**160,633**	**3,539**	**90**	**164,262**
Unallocated liabilities				**31,193**
Total liabilities				**195,455**

As at 31 March 2017

	Trading *HK$'000*	Factoring service *HK$'000*	Financing service *HK$'000*	Total *HK$'000*
Assets				
Segment assets	30,024	133,792	143,462	307,278
Interest in a joint venture				2,569
Interests in associates				185,526
Loan to an associate				1,470
Unallocated assets				293,816
Total assets				790,659
Liabilities				
Segment liabilities	14,934	149	318	15,401
Unallocated liabilities				30,004
Total liabilities				45,405

For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the tangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than interest in a joint venture, interests in associates, loan to an associate, club debentures, part of short term bank deposits, bank balances and cash, and certain corporate assets for central administrative uses. All liabilities are allocated to reportable segments other than taxation, redeemable convertible preference shares and certain corporate liabilities incurred for central administrative purpose.

Other segment information

An analysis of the Group's other amounts included in the measure of segment profit or loss or segment assets by reportable segments is as follows:

For the year ended 31 March 2018

	Trading ***HK$'000***	**Factoring service** ***HK$'000***	**Financing service** ***HK$'000***	**Unallocated** ***HK$'000***	**Total** ***HK$'000***
Expenditure for reportable segment non-current assets	**–**	**–**	**–**	**2**	**2**
Impairment losses on advances provided to customers	**–**	**–**	**137,273**	**–**	**137,273**
Depreciation of equipment	**–**	**349**	**91**	**891**	**1,331**

For the year ended 31 March 2017

	Trading *HK$'000*	Factoring service *HK$'000*	Financing service *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Expenditure for reportable segment non-current assets	14	328	–	27	369
Impairment loss on loan to a joint venture	–	–	44,424	–	44,424
Impairment losses on advances provided to customers	–	–	11,110	–	11,110
Depreciation of equipment	14	456	136	1,139	1,745

5. LOSS BEFORE TAXATION

	2018	2017
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging:		
Salaries, allowances and other benefits	**15,478**	15,342
Retirement benefit scheme contributions	**659**	690
Equity-settled share-based payment expenses	**3,144**	4,210
Total staff costs (including directors' remuneration)	**19,281**	20,242
Auditor's remuneration		
– Audit service	**625**	475
– Non-audit services	**515**	501
Depreciation of equipment	**1,331**	1,745
Loss on disposal of equipment	**–**	1
Net exchange loss	**27,253**	–
Operating lease rentals in respect of properties	**6,006**	5,600
and after crediting:		
Interest income from bank deposits and structured deposits (included in other income)	**9,590**	9,109
Net exchange gain (included in other income)	**–**	13,514

6. TAXATION

	2018	2017
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
Enterprise Income Tax in the Peoples' Republic of China ("China")		
– Provision for the current year	**2,502**	3,138
Deferred taxation	**–**	10,242
	2,502	13,380

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's operation in Hong Kong had no assessable income during both years.

Under the Enterprise Income Tax Law of China (the "EIT Law") and the Implementation Regulation of the EIT Law, all subsidiaries in China are subject to the tax rate of 25% during both years.

7. DIVIDENDS

	2018	2017
	HK$'000	*HK$'000*
Dividends recognised as distribution and paid during the year:		
Final dividends of HK1.5 cents per share in respect of the year ended 31 March 2016	**–**	41,429

The directors do not recommend the payment of dividend for the year (2017: nil).

8. LOSS PER SHARE

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

	2018	2017
	HK$'000	*HK$'000*
Loss:		
Loss for the purposes of basic and diluted loss per share (loss for the year attributable to owners of the Company)	**(307,617)**	(1,422,818)
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,761,913**	2,761,913

Note: The computation of diluted loss per share for the years ended 31 March 2018 and 2017 does not assume the exercise of the Company's outstanding share options because the exercise price of those share options was higher than the average market price of shares for both years.

9. ACCOUNTS RECEIVABLE

The Group normally allows credit period for trade customers of 60 days (2017: 60 days). The accounts receivable presented based on the invoice date, which approximated the respective revenue recognition dates, at the end of the reporting period was aged 0–60 days. At the end of the reporting period, the accounts receivable were neither past due nor impaired and were related to a customer of good credit quality.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limit. Credit sales are made to customers with appropriate credit history. Credit limits attributed to customers are reviewed regularly.

10. ADVANCES PROVIDED TO CUSTOMERS

	2018	2017
	HK$'000	*HK$'000*
Advances provided to customers	**355,027**	328,348
Less: Impairment allowances	**(194,533)**	(52,076)
	160,494	276,272
Less: Amounts shown under current assets	**(160,494)**	(143,953)
Amount due after one year	**–**	132,319

As at 31 March 2018, the advances provided to customers, which bore fixed interest at a rate of not more than 16.8% (2017: 16.8%) per annum, were repayable according to the terms stipulated in the respective loan agreements and factoring facility agreements. Included in the balances, an aggregate amount of HK$160,494,000 was secured by assets such as accounts receivable and bank's acceptance bills (2017: HK$275,242,000 was secured by assets such as accounts receivable and a fixed and floating charge executed by a private entity in the British Virgin Islands).

11. BILLS AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Bills payable	**160,633**	14,921
Other payables	**24,700**	21,450
	185,333	36,371

Bills payable were normally required to be settled within six months and secured by certain assets as disclosed in Note 12. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

12. PLEDGE OF ASSETS

As at 31 March 2018, assets with the following carrying amounts were pledged to secure the bills payable as disclosed in Note 11:

	2018	2017
	HK$'000	*HK$'000*
Structured deposits	**89,136**	14,921
Short term bank deposits with original maturity more than three months	**72,164**	–
	161,300	14,921

BUSINESS REVIEW

For the year ended 31 March 2018, the Group continued to principally engage in the provision of financing services and trading of goods in Hong Kong and China and holds interests in a joint venture and associates. The Group, headquartered in Hong Kong, has office in Shanghai, Nanjing and Yancheng, forming a good client service network.

Core Business

Factoring

The Group's factoring business is conducted through Jiangsu Goldbond Factoring Co., Ltd., a wholly-owned subsidiary of the Company.

The Group provides customers with funds secured by, amongst others, their accounts receivable, and offers them accounts receivable management services, which include review of documents relating to the accounts receivable, collection of the accounts receivable, and reports regularly to customers on matters concerning their accounts receivable. In return, the Group receives interest income as well as professional fees for the services rendered.

The factoring business has recorded satisfactory results since its commencement of business, with a focus on account receivables due by large state-owned enterprises or listed companies. Before granting loans to potential customers, the Group assesses the potential borrower's credit quality and defines the credit limits granted to the borrowers. The credit limits attributed to the borrowers are reviewed by the management regularly. During the year under review, there was no default in repayments from borrowers and no impairment loss was recognised against advances provided to customers.

During the year ended 31 March 2018, the factoring service segment realised revenue of HK$13.6 million (2017: HK$15.4 million). The segment result for the factoring service amounted to HK$9.4 million (2017: HK$12.5 million). For details of operating segment information, please refer to Note 4.

Trading

The Group's trading business is conducted through Shanghai Goldbond Trading Company Limited ("Shanghai Goldbond"), a wholly-owned subsidiary of the Company.

The Group's products traded are mainly chemical products which are essential to the manufacturing of polyester fibers and antifreeze formulations. The operation recorded a remarkable growth in revenue by over 4.3 times to HK$245.5 million (2017: HK$56.7 million), and a profit of HK$3.7 million in contrast to the loss of HK$0.3 million reported in the prior year. The significant increases in revenue and profit of the operation were principally due to the increase in volume of chemical products transacted during the year, which was in turn resulting from the improvement of sentiments of chemical markets in general, as well as the management's successful efforts in business expansion and securing more banking facilities. The Group also seeks to minimise credit risk by assigning a maximum credit limit for the customer and maintain strict control over its outstanding receivables.

Shanghai Goldbond normally settles payables for its purchase by bank acceptance bills in six months, while it generally allows credit period of 60 days for its customers. During the Year, Shanghai Goldbond subscribed several principal-protected and floating income structured deposits by utilising settlement time gap to earn extra interest income.

The Group will continue to develop the trading business of the Company, and will look for potential suppliers and/or customers for trading of other products and commodities in the context of diversification. The Board expects that the trading business will enable the Group to expand its business network and market reach which may bring synergy effect to the Group's other businesses e.g. factoring.

Financing

Small loan financing

The Group engages in small loan financing business through Yancheng Goldbond Technology Small Loan Company Limited ("Yancheng Goldbond"), established in Yancheng, Jiangsu Province, China. Yancheng Goldbond offers short-term loan financing services, loan guarantee services, direct investment and other services approved by the provincial government, to small and medium-sized enterprises ("SMEs") and individuals in Yancheng.

In view of the slow-down of the economy in third-tier cities like Yancheng, the Group adjusted its operating strategy. Over the last couple of years, the Group prudently promoted the small loan financing business among high quality customers to ensure that the newly released loans were more effectively safeguarded. The revenue from the small loan financing business further dropped as no new small loan agreements have been concluded during the Year. The Group decided to reduce the investment in the small loan financing and has been implementing capital reduction of Yancheng Goldbond. As at 31 March 2018, capital reduction of US$14.7 million has been completed. Financial resources have been diverted to other businesses with better growth potential, such as factoring and trading.

Loan to Yong Hua International Ltd. ("Yong Hua")

Pursuant to the ("Loan Agreement") dated 18 April 2016 made between Solomon Glory Limited, a wholly-owned subsidiary of the Company ("Solomon Glory"), as lender and Yong Hua, as borrower, Solomon Glory has granted a term loan facility in the principal amount of HK$128.8 million to Yong Hua. Mr. Xie Xiaoqing ("Mr. Xie"), who is the sole beneficial owner of the entire issued shares of Yong Hua, has executed a personal guarantee dated 18 April 2016 (the "Guarantee") in favour of Solomon Glory to guarantee the due observance and performance of the obligations of Yong Hua under the Loan Agreement. The maturity date for full repayment of the loan and all interest accrued thereon under the Loan Agreement is 28 April 2019. Details of the Loan Agreement were disclosed in the announcement of the Company dated 18 April 2016.

It has recently come to the attention of the Group that a creditor of Yong Hua has commenced legal action in the Court of First Instance of the High Court of Hong Kong (case no. HCA645/2018) against Yong Hua and Mr. Xie for the recovery of a debt due and owing under a term loan granted to Yong Hua. The Group also noted that a corporation had commenced legal action in the court of China against, *inter alia*, Mr. Xie regarding disputes over loan agreement(s). The aforesaid constitute events of default under the Loan Agreement.

On 3 May 2018, in accordance with the terms of the Loan Agreement and the Guarantee, Solomon Glory gave respective written notice to: (i) Yong Hua, declaring that the loan, the accrued interest and all sums payable under the Loan Agreement are immediately due and payable, and demanding its immediate repayment/payment of the outstanding sum, failing which Solomon Glory would enforce the security of the Loan Agreement; and (ii) Mr. Xie, demanding his immediate payment of the outstanding sum as guarantor of Yong Hua under the Guarantee.

As Yong Hua and Mr. Xie failed to respond to Solomon Glory's written notice of demand for repayment of the outstanding sum on the due date, Solomon Glory has commenced legal proceedings against them in The Court of First Instance of The High Court of Hong Kong on 28 May 2018 for the recovery of all outstanding amounts (including but not limited to the principal amount and interest accrued thereon) under the Loan Agreement.

The Board, after taking into account (i) currently available information on the financial status of Yong Hua and Mr. Xie, including but not limited to the above-mentioned legal actions in Hong Kong and China, and (ii) search result on the website: http://zxgk.court.gov.cn/ on 27 June 2018 that Mr. Xie was regarded as Dishonest Persons Subject to Enforcement (失信被執行人), considers that the chance of recovering the debt due and owing by them is low. Accordingly, an impairment loss on advances provided to customers of HK$137.3 million was recognised for the Year.

Investments

Interest in a joint venture: Rongzhong Group

Rongzhong Group and its subsidiaries ("Rongzhong Group Companies") are principally engaged in the provision of non-bank financial services, comprising small loan financing, loan guarantee, bill financing and financial consulting services to SMEs and individuals in various cities in China.

With the slowdown in economic growth in China, Rongzhong Group Companies, like many corporations in the industry, experience a significant increase in interest or principal payment defaults and extension applications by their customers. The quality of loan portfolio of Rongzhong Group Companies significantly declined. The impairment loss on accounts receivable and advances provided to customers of Rongzhong Group Companies amounted to HK$411.7 million for the Year (2017: HK$2,910.3 million). As a result of the above, Rongzhong Group incurred net loss attributable to the owners of the company of HK$169.6

million for the Year (2017: HK$2,494.8 million). The Group's share of loss of a joint venture was HK$67.8 million (2017: HK$999.5 million) of which HK$2.9 million (2017: HK$999.5 million) was recognised in the consolidated statement of profit or loss for the year. Share of loss of joint venture amounting to HK$64.9 million (2017: nil) was not recognised by the Group as such loss exceeded the Group's interest in the joint venture. The carrying amount of the Group's interest in Rongzhong Group Companies was zero as at 31 March 2018.

The Board considered that the operating environment for Rongzhong Group Companies is expected to remain extremely difficult as the liquidity pressure on Rongzhong Group Companies will relieve only upon the successful recovery of outstanding loans.

Interest in an associate: China Rongzhong Financial Holdings Company Limited ("China Rongzhong") (Stock code: 03963)

China Rongzhong and its subsidiaries ("China Rongzhong Group"), primarily engages in finance leasing business through Rongzhong International Financial Leasing Co., Ltd., which provides finance lease services to customers in various key industries mainly in Hubei Province. On 28 January 2016, the shares of China Rongzhong were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Listing"). Upon Listing, the Group's interest in China Rongzhong has been diluted from 47.94% to 34.86% and China Rongzhong became an associate (previously a joint venture) of the Group.

The revenue of China Rongzhong Group for the Year was HK$128.5 million (2017: HK$183.7 million), which decreased by HK$55.2 million or 30% compared to previous year. This was mainly the result of the decrease in interest-earning finance lease portfolio.

China Rongzhong Group experienced higher level of impairment loss on its finance lease receivables in the amount of HK$398.9 million for the Year (2017: HK$333.6 million) as the quality of its finance lease portfolio declined and the majority of its finance lease receivables were past due. As a result, China Rongzhong Group reported a net loss attributable to the owners of the company of HK$352.5 million (2017: HK$277.2 million). The Group's share of loss of China Rongzhong Group for the Year was HK$122.9 million (2017: HK$96.6 million).

The preliminary final result announcement of China Rongzhong Group is available for viewing and downloading from the website of the Stock Exchange at http://www.hkexnews.hk and the website of China Rongzhong at http://www.chinarzfh.com.

The Board considered that the operating environment for China Rongzhong Group is expected to remain challenging. The Board carried out impairment reviews on the carrying amount of the investment in China Rongzhong as at 30 September 2017 and 31 March 2018 by comparing the recoverable amount estimated using higher of fair value less costs of disposal and value in use with the carrying amount of the investment in China Rongzhong. Fair value less costs of disposal, measured using the quoted price for China Rongzhong listed shares on Hong Kong Exchanges and Clearing Limited as at 29 September 2017 and 29 March 2018, was approximately HK$123.7 million and HK$138.1 million, respectively (31 March 2017:

HK$185.5 million). In determining the value in use of the investment as at 30 September 2017 and 31 March 2018, the Group estimated its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows from the operations of the associate and the estimated terminal value at a discount rate of 20.7% and 23.4%, respectively (31 March 2017: 19.0%). Based on the assessment, as at 30 September 2017, the recoverable amount of China Rongzhong based on fair value less costs of disposal amounted to HK$123.7 million is lower than its carrying amount. Hence, an impairment loss of HK$7.2 million on the interest in China Rongzhong was recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2018, the recoverable amount of China Rongzhong based on fair value less costs of disposal amounted to HK$138.1 million (2017: HK$185.5 million) is higher than its carrying amount. However, given that the indications of impairment loss recognised in prior years still existed as at 31 March 2018, no reversal of impairment had been recognised.

As at 27 June 2018, market value of the Group's listed investments in China Rongzhong, based on quoted market price was approximately HK$105.0 million.

Interests in associates: Goldbond Capital Investments Limited and Allied Golden Capital Fund I (Cayman) Company Limited

In order to capture and benefit from the opportunities in the real estate markets in the developed countries and leverage on the Board's expertise, the Group participates in a real estate fund and holds a significant interest in the manager of such fund (details as disclosed in the circular of the Company dated 23 June 2015). The manager successfully completed the first real estate investment in California of the United States in June 2017. It is expected that the income source of the Group will become more diversified and the Group has stronger capability to resist fluctuation in single product market.

OUTLOOK

Looking ahead, the Group will focus on building an asset portfolio with good balance of recurring income streams and growth opportunities, and adopt measures to enhance operational efficiencies and financial performance of the Group.

FINANCIAL REVIEW

Revenue

The Group realised revenue for the Year of HK$263.1 million, representing an increase of HK$181.7 million as compared to previous Year. The increase was mainly contributed by the revenue derived from the trading business of the Group of HK$245.5 million (2017: HK$56.7 million).

Staff costs

Staff costs of the Group amounted to HK$19.3 million, which decreased by HK$1.0 million or 5% compared to previous year. Such decrease is mainly attributable to the decrease in share option expenses.

Other operating expenses

Other operating expenses were HK$42.1 million, which increased by HK$29.0 million compared to previous year. The increase was mainly attributable to the increase in net exchange loss by HK$27.3 million as a result of the depreciation of Hong Kong dollar against Renminbi ("RMB").

Impairment losses on advances provided to customers

Impairment losses on advances provided to customers amounted to HK$137.3 million, which increased by HK$126.2 million compared to previous year. Such increase is mainly attributable to the provision made for loan to Yong Hua of HK$136.2 million.

Impairment loss on interest in an associate

An impairment loss on the interest in China Rongzhong of HK$7.2 million (2017: HK$20.7 million) was recognized in profit or loss in the consolidated statement of profit or loss and other comprehensive income for the Year.

Share of loss of a joint venture

The Group shared loss of a joint venture, Rongzhong Group, of HK$2.9 million for the Year (2017: HK$999.5 million).

Share of loss of associates

Share of loss of associates mainly composed of the share of loss of China Rongzhong of HK$122.9 million (2017: HK$96.6 million) and the share of loss of a manager of real estate fund of HK$0.5 million (2017: HK$0.7 million).

Loss for the Year attributable to the owners of the Company

As a result of the foregoing, loss for the Year attributable to the owners of the Company was HK$307.6 million (2017: HK$1,422.8 million).

Other comprehensive income (expenses) for the Year

Other comprehensive income for the Year represented exchange differences arising on translation to presentation currency of HK$70.3 million (2017: other comprehensive expenses of HK$119.3 million).

Liquidity, financial resources and capital structure

The Group always seeks to maintain healthy liquid position and sufficient capital for business development. The Group generally finances its operations through its internal resources. As at 31 March 2018, the aggregate sum of cash, bank balances and short term bank deposits amounted to HK$296.7 million (2017: HK$274.3 million) and there was no bank borrowing. The working capital (current assets less current liabilities) and the total equity of the Group were HK$422.0 million (2017: HK$410.2 million) and HK$511.1 million (2017: HK$745.3 million) respectively. No gearing ratio was calculated as the Group had no debt as at 31 March 2018.

KEY FINANCIAL RATIO

Net asset value per share

	2018	2017
Net asset value per share (HK cents)	18.5	27.0

The decrease in the net asset value per share in the Year was mainly contributed by share of loss of China Rongzhong and impairment loss on advances provided to customers, partially offset by other comprehensive income (exchange differences arising from translation to presentation currency).

Charges on group assets

As at 31 March 2018, structured deposits of HK$89.1 million and short term bank deposits with original maturity more than three months of HK$72.2 million were pledged to bank to comply with the deposit requirement for the issuance of bills payable by the Group.

Contingent liabilities

As at 31 March 2018, there was no contingent liability.

Employees and remuneration policy

As at 31 March 2018, the Group had 32 staff located in both Hong Kong and China. The Group remunerates these employees based on their performance, experience and prevailing industry practices. Other benefits include contributions to the statutory mandatory provident fund scheme for employees in Hong Kong and to social insurance and housing provident funds for employees in China. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible directors and employees.

In Hong Kong, the Group participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and administered by an independent trustee. Under the MPF Scheme, the Group and its employees are each required to make a contribution to the MPF Scheme at 5% of the employees' relevant monthly income subject to a cap, which is currently set at HK$1,500.

The employees employed by the subsidiaries in China are members of the state-managed retirement benefit schemes operated by the China government. The China subsidiaries are required to contribute a certain percentage of payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make specified contributions.

Dividend

The Board did not recommend the payment of dividend for the Year (2017: nil).

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

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the Year.

REVIEW OF 2017/18 CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company reviewed the consolidated financial statements of the Group for the Year.

CORPORATE GOVERNANCE

Save as disclosed below, the Company has applied the principles and complied with all code provisions of the Corporate Governance Code ("CG Code") during the Year as set out in Appendix 14 to the Listing Rules. In respect of code provision E.1.2 of the CG Code, the Company's Chairman was unable to attend the annual general meeting of the Company held on 15 September 2017 due to health reason.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. The Company, having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard of dealings set out therein throughout the Year.

ANNUAL GENERAL MEETING

The 2018 AGM will be held on Thursday, 27 September 2018. The notice of the 2018 AGM will be published on the websites of the Stock Exchange and the Company and sent to the shareholders of the Company (the "Shareholders"), together with the Company's 2017/18 Annual Report, in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining Shareholders' eligibility to attend and vote at the 2018 AGM, the register of members of the Company will be closed as set out below:

For determining Shareholders' eligibility to attend and vote at 2018 AGM:

Latest time to lodge transfer documents for registration	4:30 p.m. on Thursday, 20 September 2018
Closure of register of members	Friday, 21 September 2018 to Thursday, 27 September 2018 (both dates inclusive)
Record date	Thursday, 27 September 2018

During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the 2018 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

By order of the Board
Goldbond Group Holdings Limited
Kelly Li
Company Secretary

Hong Kong, 27 June 2018

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung and Ms. Wong, Michelle Yatyee (all being executive directors of the Company), Mr. Ma Ho Fai GBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH (all being independent non-executive directors of the Company).