

**Good Resources Holdings Limited**

**天成國際集團控股有限公司\***

(Incorporated in Bermuda with limited liability)

(Stock Code: 00109)



**GOOD RESOURCES**

**2015/16**

**INTERIM REPORT**

\* for identification purposes only

# GOOD RESOURCES HOLDINGS LIMITED

Interim Report 2015/16

## UNAUDITED CONSOLIDATED INTERIM RESULTS

The board (The "Board") of Directors (the "Directors") of Good Resources Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 31st December, 2015 (the "Period") together with the comparative figures. The consolidated interim financial statements have not been audited, but have been reviewed by the Company's Audit Committee.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 31st December,	
	Notes	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Turnover	3	70,755	24,014
Other revenue	4	4,527	2,744
Other net (losses)	4	(5,946)	(6,832)
Administrative expenses		(44,929)	(10,358)
Finance costs	5	(1,234)	–
Profit before taxation	6	23,173	9,568
Taxation	7	(17,055)	(3,566)
Profit for the period		6,118	6,002
Profit for the period attributable to:			
– Owners of the Company		8,942	6,002
– Non-controlling interests		(2,824)	–
		6,118	6,002
Other comprehensive loss that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(138,790)	–
Total comprehensive (loss)/income		(132,672)	6,002
Total comprehensive (loss)/income for the period attributable to:			
– Owners of the Company		(129,848)	6,002
– Non-controlling interests		(2,824)	–
		(132,672)	6,002
Earnings per share attributable to owners of the Company		HK Cents	HK Cents
– Basic	8	0.13	0.41
– Diluted	8	0.13	0.41

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the six months ended 31st December, 2015 (unaudited)**

Attributable to owners of the Company

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Special reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Share-based compensation reserve HK\$'000	Convertible notes reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1st July, 2015	600,676	1,583,879	170,789	847	39,387	34,978	-	71,242	10,628	2,512,426	-	2,512,426
Transactions with owners												
- Issue of share upon conversion of convertible notes	102,950	343,896	-	-	-	-	-	(61,225)	-	385,621	-	385,621
- Non-controlling interests arising on business combination	-	-	-	-	-	-	-	-	-	-	13,603	13,603
	102,950	343,896	-	-	-	-	-	(61,225)	-	385,621	13,603	399,224
Profit for the period	-	-	-	-	-	-	-	-	8,942	8,942	(2,824)	6,118
Other comprehensive (loss)/income for the period	-	-	-	-	-	(138,790)	-	-	-	(138,790)	-	(138,790)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(138,790)	-	-	8,942	(129,848)	(2,824)	(132,672)
Transfer to statutory reserve	-	-	-	-	641	-	-	-	(641)	-	-	-
At 31st December, 2015	703,626	1,927,775	170,789	847	40,028	(103,812)	-	10,017	18,929	2,768,199	10,779	2,778,978

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**For the six months ended 31st December, 2014 (unaudited)**

Attributable to owners of the Company

	Share capital HK\$ '000	Share premium HK\$ '000	Contributed surplus HK\$ '000	Special reserve HK\$ '000	Other reserve HK\$ '000	Translation reserve HK\$ '000	Share-based compensation reserve HK\$ '000	Convertible notes reserve HK\$ '000	Retained profits/ (Accumulated losses) HK\$ '000	Total HK\$ '000	Non-controlling interests HK\$ '000	Total equity HK\$ '000
At 1st July, 2014	144,221	24,916	170,789	847	39,387	(5)	23,319	-	(2,539)	400,935	-	400,935
Transactions with owners												
- Equity settled share based payment	-	-	-	-	-	-	850	-	-	850	-	850
- Exercise of share options	2,590	11,751	-	-	-	-	(5,017)	-	-	9,324	-	9,324
	2,590	11,751	-	-	-	-	(4,167)	-	-	10,174	-	10,174
Profit for the period	-	-	-	-	-	-	-	-	6,002	6,002	-	6,002
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	6,002	6,002	-	6,002
At 31st December, 2014	146,811	36,667	170,789	847	39,387	(5)	19,152	-	3,463	417,111	-	417,111

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	53,632	712
Loans receivable	10	230,704	507,640
Goodwill	11	36,464	–
Intangible assets	11	47,329	10,507
		<hr/>	<hr/>
		368,129	518,859
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Trade and other receivables	12	634,253	704,736
Loans receivable	10	1,340,699	1,094,269
Investment held for trading	13	1,400	2,534
Financial assets at fair value through profit or loss	14	137,371	–
Bank balances and cash		467,680	687,883
		<hr/>	<hr/>
		2,581,403	2,489,422
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Other payables		39,318	3,381
Provision for taxation		55,306	41,362
		<hr/>	<hr/>
		94,624	44,743
		<hr/>	<hr/>

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		At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
	Notes		
Net current assets		2,486,779	2,444,679
Total assets less current liabilities		2,854,908	2,963,538
<b>Non-current liabilities</b>			
Convertible notes	15	64,098	448,485
Deferred tax liabilities		11,832	2,627
		75,930	451,112
<b>NET ASSETS</b>		2,778,978	2,512,426
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	18	703,626	600,676
Reserves		2,064,573	1,911,750
		2,768,199	2,512,426
Non-controlling interests		10,779	-
<b>TOTAL EQUITY</b>		2,778,978	2,512,426

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended  
31st December,

	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Net cash (used in)/from operating activities	(63,792)	9,698
Net cash (used in)/from investing activities (note)	(151,570)	882
Net cash from financing activities	–	9,324
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(215,362)	19,904
Cash and cash equivalents at beginning of the period	687,883	97,939
Exchange loss	(4,841)	–
	<hr/>	<hr/>
Cash and cash equivalents at end of the period, represented by bank balances and cash	467,680	117,843

Note:

During the period, the Group completed an acquisition of Golden 11, net of cash acquired, amounting to HK\$56,942,000 and invested in convertible notes, which are recognised as financial assets at fair value through profit or loss in total of HK\$77,637,000.

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Good Resources Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company is located at 38th Floor, Bank of China Tower, No.1 Garden Road, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of investment and financial services.

Following the completion of issue of new shares to Tiancheng International Holdings Investment Limited (“Tiancheng”) by placement on 19th May, 2015 as mentioned in Note 18 and conversion of part of the convertible notes issued to Tiancheng during the year ended 30th June, 2015 as mentioned in Note 15 pursuant to a subscription agreement dated 9th January, 2015, as supplemented by a supplemental deed dated 29th January, 2015, for subscription of the aforementioned new shares and convertible notes (the “Subscription Agreement”) entered into between the Company and Tiancheng, details of which are set out in the Company’s circular dated 12th March, 2015, the directors of the Company consider Tiancheng to be the parent and ultimate holding company of the Company which is a limited liability company incorporated in the British Virgin Islands and wholly-owned by Mr. Cheng Kin Ming.

The operational highlight of the period was the acquisition of Golden 11 Investment International Pte. Ltd (“Golden 11”), a company that is principally engaged in the construction of optical fibre network, base stations and network community along Myanmar Railway. Further details are given in Note 16 Business Combination.

During the period, the Group has completed the subscription of the convertible notes issued by Jiangsu Jiantu in the principal amount of RMB50,000,000, and the convertible notes issued by Airspan in the principal amount of US\$10,000,000. Further details are given in Note 14 Financial assets at fair value through profit or loss.

This condensed consolidated interim financial information is presented in HK dollars, unless otherwise stated.

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## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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

The preparation of the Interim Financial Report in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Report has been prepared under the historical cost convention as modified by the revaluation of investments held-for-trading and financial assets at fair value through profit or loss, which are carried at fair values, and in accordance with accounting principles generally accepted in Hong Kong, and accounting standards issued by the HKICPA.

The accounting policies used in preparation of the condensed consolidated interim financial statements are consistent with those adopted in the annual financial statements for the year ended 30th June, 2015, which have been prepared in accordance with HKFRSs.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1st July, 2014. The adoption of these new and revised HKFRS did not result in significant changes to the Group’s accounting policies, presentation of the Group’s unaudited condensed consolidated financial statements and amounts reported for the current and prior periods.

The Group has not early adopted the new and revised HKFRS that have been issued but are not yet effective for the current period. The Group has already commenced an assessment of the impact of the new and revised HKFRS but is not yet in a position to reasonably estimate whether the new and revised HKFRS would have a significant impact on the Group’s results of operations and financial position.

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### 3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the aggregate of the net amounts received and receivable from third parties, less returns and allowance and is analysed as follows:

	For the six months ended 31st December,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Loan interest income	70,570	24,000
Dividend income from investments held for trading	185	14
	<hr/>	<hr/>
	70,755	24,014
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#### Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's directors in order to allocate resources and assess performance of the segment.

Since completion of issue of the Company's convertible notes and new shares pursuant to the Subscription Agreement in May 2015, the directors have decided to cease the business of distribution and trading. Thereafter, the directors have determined that the Group has only one single reportable segment as the Group is only engaged in provision of investment and financial services which include trading of securities, investment holding, provision of financial services and finance lease services. The directors allocate resources and assess performance on an aggregated basis.

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At 31st December, 2014, the Group had two reportable segments. The segments were managed separately as each business offered different products and services and required different business strategies. The following summary described the operations in each of the Group's reportable segments:

- Investment and financial services – trading of securities, investment holding and provision of financial services; and
- Distribution and trading – trading of goods.

The distribution and trading segment has not been reclassified as discontinued operation as there was no revenue, profit or loss arising from this segment during the two periods ended 31st December, 2014 and 2015, and assets and liabilities attributable to this segment are insignificant.

Segment information about these reportable segments is presented below:

#### For the six months ended 31st December, 2015 (unaudited)

	Investment and financial services HK\$'000	Consolidated HK\$'000
Turnover – external	70,755	70,755
Segment results	69,650	69,650
Unallocated corporate income		4,527
Unallocated corporate loss		(4,841)
Unallocated corporate expenses		(44,929)
Finance cost		(1,234)
Profit before taxation		23,173
Taxation		(17,055)
Profit for the period		6,118

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## For the six months ended 31st December, 2014 (unaudited)

	Investment and financial services HK\$'000	Distribution and trading HK\$'000	Consolidated HK\$'000
Turnover – external	24,014	–	24,014
Segment results	15,519	–	15,519
Unallocated corporate income			2,744
Unallocated corporate expenses (including share-based payments)			(8,695)
Profit before taxation			9,568
Taxation			(3,566)
Profit for the period			6,002

## Geographical information

The Group determines the geographical location of non-current assets other than financial instruments, and revenue by the location of the assets and customers/payees respectively. The following tables present the Group's geographical information:

	For the six months ended 31st December,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>Revenue from external customers</b>		
Hong Kong	1,217	24,014
The PRC	69,538	–
	<u>70,755</u>	<u>24,014</u>

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	At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
<b>Non-current assets (other than financial instruments)</b>		
Hong Kong	14,911	712
The PRC	9,959	10,507
Singapore	36,464	–
Myanmar	76,091	–
	<u>137,425</u>	<u>11,219</u>

## Information about major customers

Revenue from the Group's major customers of investment and financial services segment representing 10% or more of the Group's revenue is listed as below:

	For the six months ended 31st December,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Customer A	19,008	15,000
Customer B	16,946	9,000
Customer C	13,398	–
Customer D	7,380	–
	<u>56,732</u>	<u>24,000</u>

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## 4. OTHER REVENUE, OTHER NET GAINS AND LOSSES

	For the six months ended 31st December,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Other revenue		
Interest income from convertible debts	4,021	–
Rental income from sub-lease of office premises	71	1,852
Bank interest income	435	892
	<u>4,527</u>	<u>2,744</u>
Other net (losses)		
Net changes in fair value of investments held for trading	(1,134)	(7,297)
Net realized gains on sales of investments held for trading	–	465
Net realised and unrealised losses on investments held for trading	(1,134)	(6,832)
Net changes in financial assets at fair value through profit or loss	29	–
Net foreign exchange loss	(4,841)	–
	<u>(5,946)</u>	<u>(6,832)</u>
Other revenue and other net (losses)	<u>(1,419)</u>	<u>(4,088)</u>

## 5. FINANCE COSTS

	For the six months ended 31st December,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest on convertible notes (Note 15)	<u>1,234</u>	<u>–</u>

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## 6. PROFIT BEFORE TAXATION

	For the six months ended 31st December,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Profit before taxation has been arrived at after charging:		
Staff costs (excluding directors' emoluments):		
Salaries and allowances	7,854	1,200
Share-based payments	–	850
Retirement benefits scheme contributions	139	39
Total staff costs	7,993	2,089
Depreciation of property, plant and equipment	506	76
Rent and rates	6,234	2,323
Legal and professional fees	5,440	935

## 7. TAXATION

The amount of tax recognised in the consolidated statement of comprehensive income represents:

	For the six months ended 31st December,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current tax		
– Hong Kong Profits Tax	–	3,566
– PRC	17,275	–
	17,275	3,566
Deferred income tax	(220)	–
Total tax expense	17,055	3,566

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. Provision for Hong Kong and overseas Profits Tax has been made at 16.5% (2014: 16.5%) and at the rate of taxation prevailing in the countries in which the Group operates respectively of the Group's estimated assessable profits for the period.

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### 8. EARNINGS PER SHARE

The basic and diluted earnings per share attributable to the owners of the Company are calculated as follows:

	For the six months ended 31st December,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Profit		
Profit for the purpose of basic and diluted earnings per share	8,942	6,002

	For the six months ended 31st December,	
	2015 (Unaudited) '000	2014 (Unaudited) '000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	7,004,788	1,450,771
Effect of dilutive potential ordinary shares: – share options	–	1,663
Weighted average number of ordinary shares for the purposes of diluted earnings per share	7,004,788	1,452,434

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	For the six months ended 31st December,	
	2015 (Unaudited) HK Cents	2014 (Unaudited) HK Cents
Earnings per share		
– Basic	0.13	0.41
– Diluted	0.13	0.41

The computation of diluted earnings per share for the period ended 31st December, 2015 does not assume conversion of the Company's convertible notes as they have an anti-dilutive effect on the earnings per share calculation.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the period, the increase in property, plant and equipment are mainly arise from the Group capital expenditures on leasehold improvement and furniture, fixtures and equipment amounting to HK\$14,715,000 (2014: HK\$10,675) and the addition of Golden 11 fixed assets amounting to HK\$38,711,000.

## 10. LOANS RECEIVABLE

In April, 2015, Golden Wayford Limited entered into another loan agreement with Mr. Chen who is a substantial shareholder of Golden 11 and agreed to grant loans with the loan periods for three years, with an aggregate principal amount of US\$3,822,000 (equivalent to HK\$29,620,500) at fixed interest rates 8% per annum. The repayment of the loan principal and interest will be at maturity. The loan is secured by a share mortgage on 2,312,000 issued ordinary shares of Golden 11 Investment International Pte. Ltd., held by Mr. Chen.

Shanghai Yongsheng Capital Lease Company Limited 上海永盛融資租賃有限公司, a wholly owned subsidiary of the Group, entered into loans and sale and leaseback agreements with independent third parties and connected parties and agreed to grant loans with the loan periods from six months to three years, with an aggregate principal amount of RMB1,227,000,000 (equivalent to HK\$1,465,160,700) as at 31st December, 2015 at the effective interest rates ranging from 10% to 15% per annum.

During the six months ended 31 December 2015, the Group has advanced loans of RMB634,000,000 (six months ended 31st December 2014: Nil) to Shanghai Renhe Investment Management Company Limited, Shanghai Renhe Ocean Resources Investment Company Limited and Shanghai Wealth Economic Development Company Limited, companies in which Ms. Zheng Yan, an associate of Mr. Cheng Kin Ming who is a major shareholder of the Company, is the ultimate beneficial owner of these companies. At 31st December 2015, an aggregate principal amount of RMB634,000,000 (31st December 2014: Nil) was outstanding in respect of those transactions.

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At initial recognition, the Group determined the fair value of the loans receivable equivalent to their principal amounts. The analysis of the carrying amount of loans receivable is as follows:

	At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
Current	1,340,699	1,094,269
Non-current	230,704	507,640
	1,571,403	1,601,909

Management of the Group determined no impairment loss on these loans receivable are required to be recognised.

### 11. GOODWILL AND INTANGIBLE ASSETS

	Goodwill HK\$'000	Intangible assets HK\$'000	Total HK\$'000
<b>At 1st July, 2014</b>			
Cost	-	-	-
Accumulated amortisation and impairment	-	-	-
<b>Net book amount</b>	-	-	-
<b>Period ended 31st December, 2014</b>			
Opening net book amount	-	-	-
Acquisition of subsidiaries	-	-	-
Amortisation charge	-	-	-
<b>Closing net book amount</b>	-	-	-
<b>At 1st July, 2015</b>			
Cost	-	10,640	10,640
Accumulated amortisation and impairment	-	(133)	(133)
<b>Net book amount</b>	-	10,507	10,507
<b>Period ended 31st December, 2015</b>			
Opening net book amount	-	10,507	10,507
Acquisition of subsidiaries	36,464	37,701	74,165
Amortisation charge (Note)	-	(879)	(879)
<b>Closing net book amount</b>	36,464	47,329	83,793

Amortisation of HK\$879,000 (2014: HK\$nil) is included in the 'administrative expenses'.

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### 12. TRADE AND OTHER RECEIVABLES

	At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
Trade receivables	–	292
Deposits and prepayments (Note 1)	16,400	69,841
Other receivables (Note 2)	617,853	634,603
	<u>634,253</u>	<u>704,736</u>

Note 1:

In respect to a prepayment of RMB50 million brought forward from 30th June, 2015, following to the completion of subscription of the convertible notes issued by Jiangsu Jiantu on 2nd July, 2015, it is recognized as financial assets at fair value through profit or loss (Note 14).

Note 2:

Subsequent to the six months period ended 31st December, 2015, the other receivables amount to HK\$617,459,000 has been settled, including a balance of RMB500 million brought forward from 30th June, 2015.

### 13. INVESTMENT HELD FOR TRADING

The amount at 31st December, 2015 and 30th June, 2015 represented investments in equity securities listed in Hong Kong which were stated at market value based on bid price at the reporting date.

	At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
Listed securities – held-for-trading – Equity securities – HK	<u>1,400</u>	<u>2,534</u>

The fair value of all equity securities is based on their current bid prices in an active market.

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### 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

	At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
Unlisted securities:		
– Convertible notes with fixed interest (in USD)	80,286	–
– Convertible notes with fixed interest (in RMB)	57,085	–
	<hr/>	<hr/>
	137,371	–
	<hr/>	<hr/>

The fair values of unlisted securities are based on different valuation models where appropriate such as Discounted Cash Flow Model and Binomial Model. The fair values are within level 2 of the fair value hierarchy.

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statement of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in "other net (losses)" in the income statement (Note 4).

The maximum exposure to credit risk at the reporting date is the carrying value of the debt securities.

### 15. CONVERTIBLE NOTES

On 19th May, 2015, the Company completed the issuance of convertible notes with aggregate principal amount of HK\$1,843,800,000 by placement to Tiancheng pursuant to the Subscription Agreement as mentioned in Note 1, for the purposes of raising general working capital and other investments to be identified. The convertible notes carry a zero coupon interest rate.

The convertible notes entitle the holder to convert into a total of 4,200,000,000 ordinary shares of HK\$0.1 each of the Company at an initial conversion price of HK\$0.439 per conversion share (subject to adjustments in accordance with the terms of the convertible notes) at any time during the period commencing from the date of issuance of the convertible notes, up to the maturity date which is the date falling five years after the issuing date.

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The Company shall redeem any convertible notes then outstanding at a value equal to the aggregate principal amount then outstanding with accrued interest, if any, on the maturity date. There is no early redemption right for the convertible notes.

The Company determined the fair value of the liability component based on the valuation performed by an independent valuer using discounted cash flow approach. The effective interest rate is 3%. The residual amount was assigned as the equity component for the conversion option and was included in the convertible notes reserve of the Company and the Group.

The movements of liability and equity components of the convertible notes during the period were set out below.

Group and Company	Liability	Equity	Total
	component	component	
	HK\$'000	HK\$'000	HK\$'000
At 1st July, 2014	-	-	-
Imputed interest expenses (Note 5)	-	-	-
Conversion into ordinary shares of the Company	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31st December, 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1st July, 2015	448,485	71,242	519,727
Imputed interest expenses (Note 5)	1,234	-	1,234
Conversion into ordinary shares of the Company	(385,621)	(61,225)	(446,846)
	<hr/>	<hr/>	<hr/>
<b>At 31st December, 2015</b>	<b>64,098</b>	<b>10,017</b>	<b>74,115</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

During the period ended 31st December, 2015, the holder converted the convertible notes in an aggregate principal amount of HK\$451,953,000 at a conversion price of HK\$0.439 per share, which resulted in the issuance of 1,029,505,694 new ordinary shares of the Company.

As at 31st December, 2015, total principal amount of the outstanding convertible notes of HK\$73,942,000 can be convertible into 168,432,803 ordinary shares of the Company at the conversion price of HK\$0.439 per share.

# GOOD RESOURCES HOLDINGS LIMITED

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## 16. BUSINESS COMBINATIONS

On 12th November, 2015, the Group completed the acquisition of 51% of the issued shares in Golden 11, a company that is incorporated in Singapore and principally engaged in the construction of optical fibre network, base station and network community above Myanmar Railway, for consideration of HK\$78,899,000.

The goodwill of HK\$36,464,000 arises from a number of factors including expected market growth potential of Myanmar telecommunication market, and obtaining market penetration through setting up a development platform and data platform; and unrecognised assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for the acquisition, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	<b>12th November, 2015</b>
	HK\$'000
Purchase consideration	
– Cash paid	78,899
Recognised amounts of identifiable assets acquired and liabilities assumed	
Provisional fair value	
Cash and banks	21,957
Property, plant and equipment	33,176
Intangibles:	
– License	37,702
Receivables	9,568
Payables	(36,939)
Net deferred tax liability	(9,425)
	<hr/>
Total identifiable net assets	56,039
Non-controlling interest	(13,604)
Goodwill	36,464
	<hr/>
	<u>78,899</u>

## GOOD RESOURCES HOLDINGS LIMITED

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12th November, 2015

HK\$'000

Outflow of cash to acquire business, net of cash acquired	
– cash consideration	78,899
– cash and banks in subsidiary acquired	(21,957)
	<hr/>
Cash outflow on acquisition	56,942
	<hr/> <hr/>

(a) *Acquired receivables*

The fair value of other receivables is HK\$9,568,000.

(b) *Acquired property, plant and equipment*

The fair value of property, plant and equipment is HK\$33,176,000.

(c) *Provisional fair value of acquired identifiable intangible assets*

The fair value of the acquired identifiable intangible assets of HK\$37,702,000 is provisional pending receipt of the final valuations for those assets. Deferred tax of HK\$9,425,000 has been provided in relation to these fair value adjustments.

(d) *Non-controlling interest*

The Group has recognised the non-controlling interest at its fair value for this acquisition.

(e) *Accounting treatment*

On the basis that the Group holds 51% of the issued shares in Golden 11 and that Mr. Chen Shimin, a shareholder of Golden 11 has, by way of a power of attorney, appointed the Company as its proxy in relation to certain affairs of Golden 11, Golden 11 is accounted for as a subsidiary of the Group.

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## 17. EQUITY SETTLED SHARE-BASED TRANSACTION

In 2008, the Company adopted a share option scheme that entitles key management personnel and employees to subscribe for shares in the Company. The terms and conditions of the share option scheme are disclosed in Note 27 to the financial statements for the year ended 30th June, 2015 (the "Share-based compensations").

A summary of option movements for the six months ended 31st December, 2015 is presented below:

	Six months ended 31st December, 2015 (Unaudited)		Six months ended 31st December, 2014 (Unaudited)	
	Weighted average exercise price HK\$	Number of options	Weighted average exercise price HK\$	Number of options
Outstanding at beginning and the end of period	-	-	0.69	59,480,000
Granted during the period	-	-	0.522	3,000,000
Exercised during the period	-	-	0.36	(25,900,000)
Outstanding at end of period	-	-	0.89	36,580,000
Exercisable at end of period	-	-	0.89	36,580,000

No share options (2014: 3,000,000 share options with exercise price of HK\$0.522 per share) have been granted nor (2014: 25,900,000 share options with exercise price of HK\$0.36 per share) have been exercised during the six months ended 31st December, 2015.

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## 18. SHARE CAPITAL

	At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
Ordinary shares of HK\$0.1 each		
<b>Authorised:</b>		
30,000,000,000 ordinary shares	3,000,000	3,000,000
<b>Issued and fully paid:</b>		
6,006,756,000 (30th June, 2015: 1,442,214,000) ordinary shares at beginning of year	600,676	144,221
Issue of 1,500,000,000 ordinary shares by placement (Note)	–	150,000
Conversion of convertible notes into 1,029,505,694 ordinary shares (30th June, 2015: 3,002,062,000) (Note)	102,950	300,207
Issue of 62,480,000 ordinary shares upon exercise of share options	–	6,248
7,036,261,197 (30th June, 2015: 6,006,756,000) ordinary shares at end of year	703,626	600,676

Note:

On 19th May, 2015, 1,500,000,000 ordinary shares were issued to Tiancheng at an issue price of HK\$0.439 each pursuant to the Subscription Agreement for the purpose of development of the Group by way of acquisitions and leveraging on new investment opportunities and/or expansion of current business and increasing general working capital.

During the period ended 31st December, 2015, the convertible notes with principal amount of HK\$451,953,000 was converted into 1,029,505,694 ordinary shares of HK\$0.1 each at the conversion price of HK\$0.439, of which HK\$102,950,000 was credited to share capital, while HK\$343,896,000 was credited to the share premium.

## 19. COMMITMENTS

### Commitments under operating leases

As at 31st December, 2015, the Group had outstanding minimum commitments under non-cancellable operating leases which is entered into by the Company on behalf of its subsidiary and falls due as follows:

	At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
Within one year	14,630	14,402
In the second to fifth years inclusive	17,282	22,947
	31,912	37,349

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## Capital commitments

	At 31st December, 2015 (Unaudited) HK\$'000	At 30th June, 2015 (Audited) HK\$'000
Contracted, but not provided for:		
Acquisition of property, plant and equipment	29,809	700
Investments in subsidiaries (Note)	–	129,124
	<u>29,809</u>	<u>129,824</u>

Note:

In respect to the capital commitment on investment in Golden 11, following to the completion of acquisition on 12th November, 2015, Golden 11 becomes a subsidiary of the Group, and the Company has invested HK\$78,899,000 in Golden 11 as of the period ended 31st December, 2015.

In respect to the announcement dated 29th January 2016 regarding the capital investment in Metro Leader, a subsidiary of the Group, the Company agreed to invest no more than US\$80,000,000 of capital in Metro Leader subject to the achievement of certain key milestones as specified in Metro leader SHA.

## 20 KEY MANAGEMENT COMPENSATION

Key management compensation amounted to HK\$3,867,000 for the six month ended 31st December 2015 (31st December 2014: HK\$2,079,000).

	For the six months ended 31st December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Salaries and allowances	3,840	2,070
Retirement benefits scheme contributions	27	9
	<u>3,867</u>	<u>2,079</u>

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## 21. EVENT AFTER THE REPORTING PERIOD

Subsequent to 31st December, 2015, the Group had the following significant event:

As detailed in our announcement dated 29th January, 2016, the Company entered into the Metro Leader SHA with Prominent Wise, the Founders and Metro Leader, pursuant to which the Company agreed to invest no more than US\$80,000,000 of capital in Metro Leader (inclusive of the initial capital contribution of the Company in the sum of US\$5,000,000, within the first 6 months after the Metro Leader Completion and a subsequent capital contribution in the sum of US\$5,000,000 within the next 6 months) subject to the achievement of certain key milestones specified in the Metro Leader SHA.

Reference is made to the circular of the Company dated 12th October 2015 in relation to, among other things, the proposed investment by the Company of US\$93,000,000 in the GSC Special Buyout Fund, which constitutes a discloseable and connected transaction of the Company. As detailed in our announcement dated 22nd January 2016, the Board of the Company was notified by the General Partner that GSC Target Buyout Fund and Philips have reached the consensus that the parties shall withdraw the application to the US Committee on Foreign Investment in the United States due to the national security concerns of the US Government, and the parties will not proceed with the Lumileds Buyout. The Board expects to terminate its proposed investment in the GSC Special Buyout Fund.

## 22. COMPARATIVE FIGURES

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

## 23. APPROVAL OF THE INTERIM FINANCIAL REPORT

The Interim Financial Report was approved and authorized for issue by the Board on 29th February, 2016.

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## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

For the six months ended 31st December, 2015, the turnover of the Group increased by approximately HK\$46,741,000 to approximately HK\$70,755,000 (2014: approximately HK\$24,014,000), representing an increase of approximately 194.64% from the corresponding period of last year. Increase in turnover was primarily caused by increase in turnover related to business activities in investment and financial services receiving interest income of approximately HK\$70,570,000 (2014: HK\$24,000,000).

The Group recorded a net profit of approximately HK\$6,118,000 for the Period under review compared to a profit of approximately HK\$6,002,000 of the corresponding period of last year. The increase in net profit was mainly due to the combined impact of:

- (i) increase in turnover for the Period by approximately HK\$46,741,000 to approximately HK\$70,755,000 (2014: HK\$24,014,000) as loan interest income of HK\$70,570,000 (2014: HK\$24,000,000) was recorded for the Period;
- (ii) loss impact due to increase in administrative expenses by approximately HK\$34,571,000 to approximately HK\$44,929,000 (2014: HK\$10,358,000) mainly due to (a) Expenses of sub-group of Golden 11 which was acquired during the Period which has been building up its business infrastructure for optical fibre network, base stations and network at Myanmar required payment of access rights to the railway and together with other costs a total of approximately HK\$2,948,000 was attributable to the Group during the Period; (b) Increase in rental expenses of approximately HK\$3,911,000 comparing to the same period of last year for accommodating of more staff headcount and increase in investment operations; (c) Increase in legal and professional fees of approximately HK\$4,505,000 comparing to the same period of last year due to increase in investment review activities; (d) Increase of staff costs of approximately HK\$8,587,000 to approximately HK\$11,833,000 (2014: HK\$3,246,000) and; (e) general increase in expenses; and

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- (iii) Increase in total tax expenses by approximately HK\$13,489,000 to approximately HK\$17,055,000 (2014: HK\$3,566,000) mainly due to the corporate income tax expenses of approximately HK\$17,275,000 provided for the PRC loan financing operations which was acquired in June 2015 for the current period, the corporate income tax expenses provided for the same period in the prior year was smaller as there were only Hong Kong loan financing operations with lower tax rate than PRC and interest income was also lower.

Overall there was an increase in net profit of approximately HK\$116,000 to profit of HK\$6,118,000 (2014: profit of approximately HK\$6,002,000) for the Group for the Period.

### BUSINESS REVIEW

Loan financing activities continued to bring interest income and has contributed to the Group's turnover and gross profit for the Period under review. The Group has a Money Lenders Licence and can offer loan financing allowed by the Money Lenders Ordinance of Hong Kong. The Group is also capable of operating financial leasing business and commercial factoring business and develop and expand its loan financing activities in PRC through its subsidiary located at the Shanghai Pilot Free Trade Zone. Loan financing had been the core drive for the Group's turnover and our main business during the Period.

### PROSPECTS

The gradual integration of the Chinese economy with the global economic system has brought unprecedented significant opportunities for the Group. Looking ahead, the Group is assessing the situation and riding on the momentum, and will continue to focus on investment in global emerging industries. Towards this end, it is concentrating on the leading large-scale enterprises with the core patented technology and industry influence as investment targets and actively looking for investment opportunities and continually improving the strategic layout of the portfolio in the clean energy, internet banking, bio-pharmaceutical, financial investment, bulk commodities, cultural industries and other major sectors.

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In November 2015, the International Monetary Fund has approved the inclusion of the RMB in the Special Drawing Right (SDR) basket, as the RMB becomes the first emerging market currency to be recognized. With the acceleration of internationalization of the RMB, the offshore RMB market continues to develop, along with the offshore RMB business investment growth, and China will also release the tremendous pent-up demand for allocation/acquisition of overseas assets.

The Group has commenced the overseas asset management business, and is aiming to be at the forefront of technology in the field of internet banking projects in the future. Internet banking is set to become a disruptive innovation model of digital financial business, with a smartphone as a carrier, bringing a new generation of high net-worth clients on the go having overseas assets with safe, fast and efficient global network banking and investment management experiences. On the other hand, as the opening up of Myanmar's economy continues projects involving laying fiber optic broadband internet networks and the rollout of telecommunications data services in Myanmar should in turn generate market demand and explosive growth opportunities.

According to the external investment statistics released by the Ministry of Commerce of the People's Republic of China ("Commerce Department"), the investment stocks of Chinese enterprises exceeded one trillion US dollars for the first time in 2015. "One Belt and One Road" and the international capacity cooperation were the new themes of overseas investments by Chinese enterprises. As for the methods, mergers and acquisitions became the principal means of foreign investment. According to the Commerce Department's preliminary statistics, some 593 overseas mergers and acquisitions projects were undertaken by Chinese enterprises in 2015, with a cumulative transaction value amounting to US\$ 40.1 billion. Looking ahead to 2016, the industry expects China's foreign investment to achieve double-digit growth. As the implementation of the "Going out" strategy by Chinese companies progresses, their involvement in the global mergers and acquisitions in the future is expected to become more active. In view of this trend, the Group's strategy is in line with this boom in supporting the more efficient outward investment of Chinese capital to a greater extent and depth with better quality by taking advantage of the emerging professional financial investment holding platform.

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In the future, the Group will continue to explore emerging field projects with high growth potential and will continue to promote and actively implement the projects recently initiated and more closely manage the projects already implemented, as well as integrate the resources, leverage the effectiveness and ensure good returns. The Group strives to be “the trusted financial investment management company in the Hong Kong capital market guided by the vision to become an efficient investment platform with an influence on the world’s financial industry,” and will not only assist Chinese capital markets in forging links with global capital markets, but also steadily improving its business and financial performance.

### **LIQUIDITY AND FINANCIAL RESOURCES**

The Group maintains its strong financial position with cash and cash equivalents of approximately HK\$467,680,000 (30th June, 2015: HK\$687,883,000).

As at 31st December, 2015 the Group had a net current assets of approximately HK\$2,486,779,000 (30th June, 2015: HK\$2,444,679,000). The shareholders’ equity was approximately HK\$2,778,978,000 (30th June, 2015: HK\$2,512,426,000) and there was no borrowing other than the convertible notes and gearing ratio was zero (30th June, 2015: zero).

### **CONTINGENT LIABILITIES**

As at 31st December, 2015, the Group did not have any significant contingent liabilities.

### **INTERIM DIVIDEND**

The Directors do not recommend the payment of an interim dividend for the six months ended 31st December, 2015 (2014: nil).

### **CAPITAL STRUCTURE**

During the period ended 31st December, 2015, the convertible notes with principal amount of HK\$451,953,000 was converted into 1,029,505,694 ordinary shares of HK\$0.1 each at the conversion price of HK\$0.439, of which HK\$102,950,000 was credited to share capital, while HK\$343,896,000 was credited to the share premium.

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### **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

Other than the completion of acquisition of Golden 11 as disclosed in Note 16 to the financial statements, the Group did not make any material acquisition and disposal of subsidiaries and affiliated companies for the six months ended 31 December 2015.

### **CHARGE ON ASSETS**

As at 31 December 2015, the Group did not have any charge on its assets (30 June 2015: Nil).

### **FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Up to current moment, other than the formation of joint venture to invest into Metro Leader as detailed in Note 21 to the financial statements and in our announcement dated 29 January 2016 and capital commitments as disclosed in Note 19 to the financial statements, the Group does not have any other plan for material investments or capital assets.

### **SUBSEQUENT EVENT**

Please refer to Note 21 to the financial statements for event after the reporting period.

### **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

During the period under review, the Group's transactions were substantially denominated in either Hong Kong dollars, US dollars or RMB Yuan. The Group did not use any financial instruments for hedging purposes (30 June 2015: Nil).

### **DISCLOSURE OF INTERESTS**

#### **(i) Directors**

At 31st December, 2015 the interests or short positions of each Director and the chief executive in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

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## Ordinary shares of the Company

Name of Director	Capacity	Number of Shares held	Approximate percentage of the issued share held of the Company	Nature of Shares interested
Chau On Ta Yuen	Beneficial owner	2,500,000	0.04%	Long position
Chen Chuan Jin	Beneficial owner	10,000,000	0.14%	Long positing
Kwan Shan	Beneficial owner	620,000	0.01%	Long positing
Lo Wan Sing, Vincent	Beneficial owner	9,500,000	0.14%	Long positing
Lu Sheng	Interest of controlled corporation (Note 1)	600,000,000	8.53%	Long positing
Ng Leung Ho	Interest of controlled corporation (Note 2)	1,006,741,882	14.31%	Long positing
Sonny Wu	Beneficial owner and interest of controlled corporation (Note 3)	970,000,000	13.79%	Long positing

Note:

1. Power Fine Global Investment Limited is wholly owned by Mr. Lu Sheng, an executive Director. Mr. Lu Sheng is deemed to be interested in the 600,000,000 Shares held by Power Fine Global Investment Limited for the purposes of the SFO.
2. Rich Capital Global Enterprises Limited and Golden Prince Group Limited are wholly owned by Mr. Ng Leung Ho, a non-executive Director. Mr. Ng Leung Ho is deemed to be interested in the 406,741,882 Shares held by Rich Capital Global Enterprises Limited and 600,000,000 held by Golden Prince Group Limited, respectively, for the purposes of the SFO.
3. Mr. Sonny Wu, an executive Director, is the beneficial owner of 910,000,000 Shares. Smart Tiger Holdings Limited and Fortune Interface Assets Limited are wholly owned by Mr. Sonny Wu. Mr. Sonny Wu is deemed to be interested in the 30,000,000 Shares held by Smart Tiger Holdings Limited and 30,000,000 held by Fortune Interface Assets Limited (through its wholly-owned subsidiary Great Universal Limited), respectively, for the purposes of the SFO.

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Save as disclosed above, none of the Directors and the chief executive of the Company was interested, or was deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

### (ii) Substantial Shareholder

At 31st December, 2015, so far as is known to the Directors, shareholders (other than the Directors or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which have been disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of issued ordinary share capital	Approximate percentage of the issued shares held of the Company
Tiancheng International Holdings Investment Limited (Note 1)	Beneficial owner	2,341,100,000	33.27%
Golden Prince Group Limited (Note 2)	Beneficial owner	600,000,000	8.53%
Rich Capital Global Enterprises Limited (Note 2)	Beneficial owner	406,741,882	5.78%
Sonny Wu (Note 3)	Beneficial owner	910,000,000	12.93%
Great Universal Holdings Limited (Note 3)	Beneficial owner	30,000,000	0.43%
Smart Tiger Holdings Limited (Note 3)	Beneficial owner	30,000,000	0.43%

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Note:

1. The entire issued capital of Tiancheng International Holdings Investment Limited is directly wholly owned by Mr. Cheng Kin Ming. Included in number of issued ordinary share capital was 168,432,803 shares pertaining to conversion rights attached to convertible notes.
2. The entire issued capital of Golden Prince Group Limited and Rich Capital Global Enterprises Limited is both directly wholly owned by Mr. Ng Leung Ho.
3. The entire issued capital of Great Universal Holdings Limited and Smart Tiger Holdings Limited is both directly wholly owned by Mr. Sonny Wu.

Save as disclosed herein, no other person was directly or indirectly beneficially interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company as at 31st December, 2015.

None of the Directors has any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to the Company or any of its subsidiaries.

### EMPLOYMENT AND REMUNERATION POLICIES

As at 31st December, 2015, the Group employed approximately 57 employees. The Remuneration Committee and the Directors of the Group reviewed remuneration policies regularly. The structure of the remuneration packages would take into account the level and composition of pay and the general market conditions in the respective countries and businesses.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the heading "Share Option Scheme" below, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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### **SHARE OPTION SCHEME**

Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 29th January, 2008, the Company adopted the share option scheme.

During the period ended 31st December, 2015, all share options were exercised and no share options were outstanding as at 31st December, 2015.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31st December, 2015.

### **AUDIT COMMITTEE**

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Stock Exchange. The Audit Committee comprises one Non-Executive Director and two Independent Non-Executive Directors of the Company. The primary duties of the Audit Committee are to review the Company's annual and interim results and to review and supervise the Company's financial reporting and internal control procedures.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters, including review of the unaudited financial statements of the Group for the period.

### **CORPORATE GOVERNANCE**

Subject to the ongoing improvements in the new internal control measures being put in place by the Company for integration of its newly acquired subsidiary (Shanghai Yongsheng Capital Lease Company Limited 上海永盛融資租賃有限公司) into the Group, in the opinion of the Directors, the Company has complied throughout the six months ended 31st December, 2015 with the Code on Corporate Governance Practices (the "Code") as set out by the Stock Exchange in Appendix 14 to the Listing Rules during the six months ended 31st December, 2015.

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### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules (the “Model Code”) during the period under review. The Company has made specific enquiry with all directors and all of them confirmed that they have complied with the required standard set out in the Model Code for the six months ended 31st December, 2015.

### APPRECIATION

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

List of all Directors of the Company as of the date of this report:

#### *Executive Directors*

Mr. Sonny Wu (*Chairman*)

Mr. Lu Sheng

#### *Non-Executive Directors*

Mr. Liu Hai

Mr. Chen Chuanjin

Mr. Ng Leung Ho

Mr. Lo Wan Sing, Vincent

#### *Independent Non-executive Directors*

Mr. Chau On Ta Yuen

Ambassador Ford Fraker

Mr. Francisco Sánchez

Ms. Kwan Shan

On behalf of the Board

**Sonny Wu**

*Chairman*

Hong Kong, 29th February, 2016

\* *For identification purposes only*