

Asia-Pac Financial Investment Company Limited 亞太金融投資有限公司

Stock Code: 8193

(Incorporated in the Cayman Islands with limited liability)

FIRST QUARTERLY REPORT 2019



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Asia-Pac Financial Investment Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report, in both English and Chinese versions, is available on the Company’s website at www.gca.com.hk.

FINANCIAL RESULTS

The board of Directors (the "Board") presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 30 June 2019 (the "Period"), together with the unaudited comparative figures for the corresponding period in 2018 and certain audited comparative figures as at 31 March 2019, as follows.

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

For the three months ended 30 June 2019

	Notes	Three months ended 30 June	
		2019 HK\$'000 Unaudited	2018 HK\$'000 Unaudited
Loan interest income		2,888	3,337
Other revenue		9,248	3,511
Total revenue	3	12,136	6,848
Cost of sales		(4,875)	(1,937)
Gross profit		7,261	4,911
Other income	3	675	1,102
Fair value (loss)/gain on financial assets at fair value through profit or loss		(8,613)	6,887
(Loss)/gain on disposal of financial assets at fair value through profit or loss		(3,437)	72
Marketing, administrative and other operating expenses		(18,322)	(10,250)
Finance costs	4	(1,156)	(432)
Share of results of associates		344	–
(Loss)/profit before tax	5	(23,248)	2,290
Income tax expense	6	(211)	(323)
(Loss)/profit for the period		(23,459)	1,967
Other comprehensive income for the period, net of tax:			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(707)	(1,035)
(Loss)/profit and total comprehensive income for the period		(24,166)	932

		Three months ended 30 June	
	Note	2019 HK\$'000 Unaudited	2018 HK\$'000 Unaudited
(Loss)/profit for the period attributable to:			
Owners of the Company		(23,100)	2,461
Non-controlling interests		(359)	(494)
		(23,459)	1,967
Total comprehensive income for the period attributable to:			
Owners of the Company		(23,666)	1,637
Non-controlling interests		(500)	(705)
		(24,166)	932
			(restated)
(Loss)/earnings per share			
— Basic and diluted (HK cents)	8	(3.96)	0.42

Notes:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The shares of the Company (the “Shares”) have been listed on GEM of the Stock Exchange since 31 May 2011. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 2703, 27th Floor, Shui On Centre, 6–8 Harbour Road, Wan Chai, Hong Kong. The Company is an investment holding company.

2. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated results for the Period (the “Unaudited Condensed Consolidated Results”) have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules and the Companies Ordinance, Chapter 622 of the laws of Hong Kong.

The Unaudited Condensed Consolidated Results do not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2019 (the “2019 Consolidated Financial Statements”). Except as described in paragraph headed “Application of new and revised HKFRSs for the Period” below, the accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Results are consistent with those used in the 2019 Consolidated Financial Statements.

Application of new and revised HKFRSs for the Period

The Group has applied the following new and revised HKFRSs that are mandatory for the first time for the Period:

Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK(IFRIC) 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvement to HKFRS Standards 2015–2017 Cycle

The application of the new and revised HKFRSs and Interpretations in the Period has no material impact on the Group's financial performance and positions for the current period and/or on the disclosures set out in these Unaudited Condensed Consolidated Results, except as noted below:

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or finance leases.

Upon application of IFRS 16, the Group recognised a right-of-use asset and a corresponding liability in respect of the Group's office property leases. In addition, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows, respectively by the Group.

HKFRS 16 has been applied modified retrospective approach, with the cumulative effect of initial application recognised as an adjustment to the opening balances of accumulated losses as at 1 April 2019. Comparative information has not been restated.

Upon the initial application of HKFRS 16, the Group measured the right-of-use assets as if HKFRS 16 had always been applied by using the incremental borrowing rate at initial application date and the opening balances of lease liabilities and the corresponding right-of-use assets has been adjusted as at 1 April 2019.

The following table summarises the impact, net of tax, of transition to HKFRS 16 on the opening balances of accumulated losses:

	Impact of adopting HKFRS 16 on opening balances
	HK\$'000
Recognition of interest of lease liabilities and depreciation of right-of-use assets	
Accumulated losses	
Impact at 1 April 2019	97

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statements from fiscal year 2019 onwards.

3. REVENUE AND OTHER INCOME

The Group's revenue and other income are as follows:

	Three months ended 30 June	
	2019 HK\$'000 Unaudited	2018 HK\$'000 Unaudited
Revenue		
Asset advisory services and asset appraisal	7,405	1,518
Corporate services and consultancy	636	339
Media advertising	1,100	1,034
Financial services	2,995	3,957
	12,136	6,848
Other income		
Bank interest income	1	–
Sub-leasing income	324	572
Sundry income	350	530
	675	1,102

4. FINANCE COSTS

	Three months ended 30 June	
	2019 HK\$'000 Unaudited	2018 HK\$'000 Unaudited
Interest on bank borrowings	584	23
Interest on promissory notes	405	405
Interest on lease liabilities	165	–
Others	2	4
	1,156	432

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is stated after (charging)/crediting the following:

	Three months ended 30 June	
	2019 HK\$'000 Unaudited	2018 HK\$'000 Unaudited
Depreciation		
— Owned assets	(101)	(156)
— Right-of-use assets	(1,631)	–
Fair value (loss)/gain on financial assets at fair value through profit or loss	(8,613)	6,887
(Loss)/gain on disposal of financial assets at fair value through profit or loss	(3,437)	72

6. INCOME TAX EXPENSE

	Three months ended 30 June	
	2019 HK\$'000 Unaudited	2018 HK\$'000 Unaudited
Current tax — Hong Kong Profits Tax		
Provision for the period	211	323

The Inland Revenue (Amendment) (No. 3) Ordinance 2018 was enacted on 29 March 2018 introducing the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of a corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. For the three months ended 30 June 2019, Hong Kong Profits Tax of the nominated Group company is calculated in accordance with the two tiered profits tax rates regime. The assessable profits of other Group companies in Hong Kong will continue to be taxed at the tax rate of 16.5%.

There was no significant unprovided deferred tax for the relevant periods and at the end of each reporting period.

7. DIVIDEND

The Board does not declare the payment of a dividend for the Period (three months ended 30 June 2018: Nil).

8. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic loss (2018: earnings) per share attributable to owners of the Company is based on the loss for the Period attributable to owners of the Company of approximately HK\$23,100,000 (2018: profit of approximately HK\$2,461,000) and the weighted average number of ordinary shares of 582,955,860 (2018: restated: 582,955,860 ordinary shares). For the purpose of calculation of basic and diluted (loss)/earnings per share for the three months ended 30 June 2019 and 2018, the share consolidation of the Company being effective on 14 January 2019 was deemed to be effective throughout the three months ended 30 June 2018. Accordingly, the weighted average number of ordinary shares of the Company in issue during the three months ended 30 June 2018 were adjusted to reflect the share consolidation.

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share attributable to owners of the Company for the three months ended 30 June 2019 and 2018 are the same as the effects of the Company's potential ordinary shares in respect of the outstanding share options are anti-dilutive for the three months ended 30 June 2019 and 2018.

9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Share-based payment reserve HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2019 (Audited)	58,296	581,772	5,359	(656)	(407,937)	10,999	247,833	8,464	256,297
Impact of adoption of HKFRS 16 (Unaudited)	-	-	-	-	(97)	-	(97)	-	(97)
Loss and total comprehensive income for the period (Unaudited)	-	-	-	(566)	(23,100)	-	(23,666)	(500)	(24,166)
Equity-settled share-based payments (Unaudited)	-	-	-	-	-	9,038	9,038	-	9,038
At 30 June 2019 (Unaudited)	58,296	581,772	5,359	(1,222)	(431,134)	20,037	233,108	7,964	241,072
At 1 April 2018 (Audited)	58,296	581,772	5,359	241	(344,133)	13,545	315,080	9,977	325,057
Impact of adoption of HKFRS 15 (Audited)	-	-	-	-	(2,172)	-	(2,172)	(540)	(2,712)
Profit and total comprehensive income for the period (Unaudited)	-	-	-	(824)	2,461	-	1,637	(705)	932
At 30 June 2018 (Unaudited) (Restated)	58,296	581,772	5,359	(583)	(343,844)	13,545	314,545	8,732	323,277

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal; (ii) corporate services and consultancy; (iii) media advertising; and (iv) financial services.

Asset Advisory Services and Asset Appraisal

Asset advisory services and asset appraisal are the core business of the Group, which typically involve provision of independent valuation services to a number of listed groups to meet market, regulatory and fiduciary requirements, sourcing and identifying potential investment opportunities or investors, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic business advices. Asset advisory services income is primarily success-based and project-based nature.

Corporate Services and Consultancy

The corporate services and consultancy segment mainly focuses on provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management and other operational aspects as well as provision of back office administration.

Media Advertising

Media advertising income is generated mainly through in-elevator poster frames network and liquid-crystal-display network inside elevators or lift lobbies of middle to high-end residential community.

Financial Services

The financial services segment mainly represents the provision of services relating to the dealing in securities via a licensed corporation under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO") via an indirect subsidiary and provision of money lending services.

The provision of services relating to the dealing in securities mainly involves provision of Type 1 (dealing in securities) regulated activity and services under the SFO while the money lending business mainly involves provision of financial credit services such as personal loans and commercial loans to individuals and corporations.

FINANCIAL REVIEW

The Group's revenue for the Period was approximately HK\$12.1 million (three months ended 30 June 2018: approximately HK\$6.8 million), representing an increase of approximately 77.9% from that of the corresponding period of 2018. The increase in the Group's revenue during the Period was mainly attributable to an increase in revenue arising from the asset advisory services and asset appraisal due to the timing effect from delivery of reports.

The Group's cost of sales for the Period was approximately HK\$4.9 million (three months ended 30 June 2018: approximately HK\$1.9 million), representing an increase of approximately 157.9% from that of the corresponding period of 2018. The increase in cost of sales was in line with increase in revenue during the Period.

The Group's marketing, administrative and other operating expenses for the Period were approximately HK\$18.3 million (three months ended 30 June 2018: approximately HK\$10.3 million), representing an increase of approximately 77.7% from those of the corresponding period of 2018. The increase was due to the recognition of non-cash expenses for share-based payments of approximately HK\$9.0 million during the Period.

The Group's total net loss on fair value change on financial assets at fair value through profit or loss ("FVTPL") and loss on disposal of financial assets at FVTPL for the Period were approximately HK\$12.1 million (three months ended 30 June 2018: total net gain of approximately HK\$7.0 million). Details are set out in the section headed "Significant Investments Held" below.

The Group's finance costs for the Period amounted to approximately HK\$1.2 million (three months ended 30 June 2018: approximately HK\$0.4 million), representing an increase of approximately 200% from those of the corresponding period of 2018. It was attributable to the interest arising from the new borrowings during the Period to meet the needs of working capital and the interest on lease liabilities due to the adoption of HKFRS 16 during the Period.

Accordingly, the loss attributable to owners of the Company for the Period was approximately HK\$23.3 million (three months ended 30 June 2018: profit of approximately HK\$2.5 million). The turnaround was mainly attributable to (1) recognition of non-cash expenses for share-based payments of approximately HK\$9.0 million; and (2) the turnaround from the total net fair value gain on financial assets at FVTPL of approximately HK\$7.0 million for the three months ended 30 June 2018 to total net fair value loss on financial assets at FVTPL of approximately HK\$12.1 million.

CAPITAL STRUCTURE

There was no change in the capital structure of the Group during the Period.

REVIEW ON PROVISION OF FINANCIAL ASSISTANCE

During the Period, none of the financial assistance provided by the Group constituted “discloseable transaction” under Chapter 19 of the GEM Listing Rules, “connected transaction” under Chapter 20 of the GEM Listing Rules and “advances to entity” which requires disclosure pursuant to Chapter 17 of the GEM Listing Rules.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2019, the Group’s financial assets at FVTPL, with market value of approximately HK\$32.7 million (31 March 2019: approximately HK\$45.9 million), represented an investment portfolio of six equity securities listed in Hong Kong. Details of the financial assets at FVTPL were set out as follows:

Name of securities	Percentage of shareholding interest	As at 30 June 2019		Percentage to the net assets	For the three months ended 30 June 2019		As at
		Fair value/ carrying value HK\$'000	Percentage to the financial assets at FVTPL		Realised loss HK\$'000	Unrealised loss HK\$'000	31 March 2019
							Fair value/ carrying value HK\$'000
WLS Holdings Limited (“WLS”) (Stock code: 8021) (Note 1)	2.90%	17,472	53.4%	5.7%	–	–	17,472
China e-Wallet Payment Group Limited (“e-Wallet”) (Stock code: 802) (Note 2)	2.19%	9,600	29.3%	3.1%	–	(3,120)	12,720
China 33 Media Group Limited (“China 33”) (Stock code: 8087) (Note 3)	3.13%	5,040	15.4%	1.6%	–	(360)	5,400
Other investments (Notes 4 and 5)		625	1.9%	0.2%	(3,437)	(5,133)	10,357
		32,737	100%	10.6%	(3,437)	(8,613)	45,949

Notes:

1. WLS is principally engaged in the provision of scaffolding and fitting-out services, management contracting services, other services for construction and buildings work, money lending business and trading of securities in Hong Kong.
2. e-Wallet is principally engaged in the provision of biometric and radio frequency identification products and solution services, internet and mobile application and related services.

3. China 33 is principally engaged in printed media advertising, outdoor advertising and film and entertainment investment.
4. The carrying value of the investment represented less than 1% of the net assets of the Group as at 30 June 2019.
5. The Group had less than 1% of the shareholding interest in the investment as at 30 June 2019.

During the Period, the Group recorded a realised loss of approximately HK\$3.4 million and an unrealised loss of approximately HK\$8.6 million (three months ended 30 June 2018: realised gain of approximately HK\$0.07 million and unrealised gain of approximately HK\$6.9 million) under the volatile stock market conditions.

The future performance of the equity securities held by the Group may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Save as disclosed above, there were no other significant investments held by the Group as at 30 June 2019.

OUTLOOK

Looking ahead, the revenue from each of the sectors of asset advisory and corporate consultancy services remains promising with a steady demand for professional commercial services in the PRC, Taiwan, Hong Kong and Macau (together, the "Greater China"). As companies in the Greater China, especially in the PRC, continue to expand in corporate size, operational complexity and geographical diversification as well as undergo reform, listing and mergers and acquisitions, the demand for a leading professional advisor on asset value, procedures and regulations, as well as investment matching is expected to remain high. In view of the Group's existing competitive advantages and market position in its core business segments, the Group is confident that its experienced professional teams and provision of convenient one-stop professional services will keep it well-positioned to capture the surging business opportunities.

Despite that the revenue from media advertising remained steady when compared to the corresponding period, as there is keen competition in the media advertising industry in the PRC and demand of new advertising channels, the Group will constantly seek new customers.

The financial services segment is expected to remain stable in coming year. The Group will continue its effort to develop such business and enhance our competitiveness within the ever changing industry and economy. The Group will closely monitor its cash position, and will continue to seek investment and business opportunities, with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the shareholders of the Company (the "Shareholders").

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2019, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have: (a) 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 were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

(a) Long positions in the Shares

Name of Director	Capacity/ nature of interest	Number of issued Shares held	Number of underlying Shares held (Note 3)	Total	Approximate percentage to the issued Shares (Note 1)
Mr. Ip Kwok Kwong ("Mr. Ip")	Interest in controlled corporation and beneficial owner/ Corporate interest and personal interest	31,085,000 (Note 2)	5,829,500	36,914,500	6.33%
Mr. Wu Di ("Mr. Wu")	Beneficial owner/ Personal interest	–	5,829,500	5,829,500	1.00%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2019.
2. 31,085,000 Shares were held by Brilliant One Holdings Limited ("Brilliant One") which was wholly owned by GC Holdings Limited ("GC Holdings"). GC Holdings was wholly owned by Mr. Ip, an executive Director and the Managing Director. By virtue of the SFO, Mr. Ip was deemed to have interests in all the Shares held by Brilliant One.
3. Mr. Ip and Mr. Wu, executive Directors were granted the options under the share option scheme of the Company on 18 April 2019 at an exercise price of HK\$0.279 per Share with the exercisable period from 18 April 2019 to 17 April 2022 (both dates inclusive).

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporations	Capacity/ nature of interests	Number of issued shares held	Percentage of interest in associated corporations
Mr. Ip (Note)	Brilliant One	Interest in a controlled corporation/ Corporate interest	200	100%
Mr. Ip (Note)	GC Holdings	Beneficial owner/ Personal interest	1	100%

Note: The Company was owned as to approximately 5.33% by Brilliant One. Brilliant One was wholly owned by GC Holdings. GC Holdings is wholly owned by Mr. Ip.

Save as disclosed above, as at 30 June 2019, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have: (a) 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 provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2019, the following persons (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of Shareholders	Capacity/ nature of interests	Number of issued Shares held	Approximate percentage to the issued Shares <i>(Note 1)</i>
Brilliant One <i>(Note 2)</i>	Beneficial owner/ Personal interest	31,085,000	5.33%
GC Holdings <i>(Note 2)</i>	Interest in a controlled corporation/ Corporate interest	31,085,000	5.33%
Laberie Holdings Limited ("Laberie") <i>(Note 3)</i>	Beneficial owner/ Personal interest	140,000,000	24.02%
SEEC Media Group Limited ("SEEC Media") <i>(Note 3)</i>	Interest in a controlled corporation/ Corporate interest	140,000,000	24.02%

Notes:

- The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2019.
- Brilliant One was wholly owned by GC Holdings which was wholly owned by Mr. Ip, an executive Director and the Managing Director. Therefore, under the SFO, GC Holdings was deemed to be interested in all the Shares held by Brilliant One.
- Laberie was wholly owned by SEEC Media. By virtue of the SFO, SEEC Media was deemed to be interested in all the Shares held by Laberie.

Save as disclosed above, as at 30 June 2019, the Company had not been notified by any parties (other than a Director or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors (the "Required Standard of Dealings"). The Company had made a specific enquiry with each of the Directors and all the Directors confirmed that they had complied with the Required Standard of Dealings during the Period.

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

To the best of the Directors' knowledge, none of the Directors or the substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete or is likely to compete, either directly or indirectly with the business of the Group during the Period.

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

The Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any of the Shares during the Period.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules (the "CG Code") during the Period save for code provision A.2.1 of the CG Code, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Company currently does not have any officer who carries the title of the chairman of the Board (the “Chairman”) or chief executive officer of the Company (the “CEO”) but instead, the roles of both the Chairman and the CEO are performed by Mr. Ip Kwok Kwong, an executive Director and the Managing Director. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

AUDIT COMMITTEE

The Unaudited Condensed Consolidated Results and this report have been reviewed by the audit committee of the Board, which was of the opinion that such results had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board

Asia-Pac Financial Investment Company Limited

Ip Kwok Kwong

Executive Director and Managing Director

Hong Kong, 9 August 2019

As at the date of this report, the Board comprises Mr. Ip Kwok Kwong (Managing Director) and Mr. Wu Di as executive Directors; and Mr. Cheung Ka Chun, Mr. So Kwok Yun and Mr. Tang Wai Kee as independent non-executive Directors.