

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
2020

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 (together, the “Group”) for the three months ended 30 June 2020 (the “Period”), together with the relevant unaudited comparative figures for the corresponding periods in 2019, as follows.

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

For the three months ended 30 June 2020

	Notes	Three months ended 30 June	
		2020 HK\$'000 Unaudited	2019 HK\$'000 Unaudited
Loan interest income		2,697	2,888
Other revenue		9,459	9,248
Total revenue	3	12,156	12,136
Cost of sales		(5,082)	(4,875)
Gross profit		7,074	7,261
Other income	3	1,569	675
Fair value gain/(loss) on financial assets at fair value through profit or loss		363	(8,613)
Loss on disposal of financial assets at fair value through profit or loss		–	(3,437)
Marketing, administrative and other operating expenses		(9,882)	(18,322)
Finance costs	4	(690)	(1,156)
Share of results of associates		–	344
Loss before tax	5	(1,566)	(23,248)
Income tax expense	6	(45)	(211)
Loss for the period		(1,611)	(23,459)

	Notes	Three months ended 30 June	
		2020 HK\$'000 Unaudited	2019 HK\$'000 Unaudited
Other comprehensive expense 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)
Loss and total comprehensive expense for the period		(1,611)	(24,166)
Loss for the period attributable to:			
Owners of the Company		(1,600)	(23,100)
Non-controlling interests		(11)	(359)
		(1,611)	(23,459)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(1,600)	(23,666)
Non-controlling interests		(11)	(500)
		(1,611)	(24,166)
Loss per share	8		
— Basic and diluted (HK cents)		(0.27)	(3.96)

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 2709, 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 2020. The Group has adopted the new standards and amendments to HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the Group’s results and financial position for the current or prior periods.

The Group has not early adopted any new and revised HKFRSs that has been issued but are not yet effective.

3. REVENUE AND OTHER INCOME

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

	Three months ended 30 June	
	2020 HK\$'000 Unaudited	2019 HK\$'000 Unaudited
Revenue		
Asset advisory services and asset appraisal services	8,690	7,405
Corporate services and consultancy services	124	636
Media advertising services	523	1,100
Financial services	2,819	2,995
	12,156	12,136
Other income		
Bank interest income	4	1
Sub-leasing income	249	324
Bad debt recovery	82	–
Government subsidy	872	–
Sundry income	362	350
	1,569	675

4. FINANCE COSTS

	Three months ended 30 June	
	2020 HK\$'000 Unaudited	2019 HK\$'000 Unaudited
Interest on bank and other borrowings	264	584
Interest on promissory notes	405	405
Interest on lease liabilities	20	165
Others	1	2
	690	1,156

5. LOSS BEFORE TAX

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

	Three months ended 30 June	
	2020 HK\$'000 Unaudited	2019 HK\$'000 Unaudited
Depreciation		
– Owned assets	(53)	(101)
– Right-of-use assets	–	(1,631)
Fair value gain/(loss) on financial assets		
at fair value through profit or loss	363	(8,613)
Loss on disposal of financial assets		
at fair value through profit or loss	–	(3,437)

6. INCOME TAX EXPENSE

	Three months ended 30 June	
	2020 HK\$'000 Unaudited	2019 HK\$'000 Unaudited
Current tax – Hong Kong Profits Tax Provision for the period	45	211

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 Period, 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 has resolved not to declare the payment of a dividend for the Period (three months ended 30 June 2019: Nil).

8. LOSS PER SHARE

Basic loss per share

The calculation of basic loss 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\$1,600,000 (2019: loss of approximately HK\$23,100,000) and the weighted average number of ordinary Shares of 582,955,860 (2019: 582,955,860 ordinary Shares).

Diluted loss per share

Diluted loss per share attributable to owners of the Company for the three months ended 30 June 2020 and 2019 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 2020 and 2019.

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	Share options reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2020 (Audited)	58,296	581,772	5,359	(1,635)	21,809	(547,307)	118,294	5,208	123,502
Lapse of share options (Unaudited)	-	-	-	-	(9,652)	9,652	-	-	-
Loss and total comprehensive expense for the period (Unaudited)	-	-	-	-	-	(1,600)	(1,600)	(11)	(1,611)
At 30 June 2020 (Unaudited)	58,296	581,772	5,359	(1,635)	12,157	(539,255)	116,694	5,197	121,891
At 1 April 2019 (Audited)	58,296	581,772	5,359	(656)	10,999	(407,937)	247,833	8,464	256,297
Impact of adoption of HKFRS 16 (Unaudited)	-	-	-	-	-	(97)	(97)	-	(97)
Loss and total comprehensive expense 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)	20,037	(431,134)	233,108	7,964	241,072

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 involves 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 its 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") 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.

In view of the unstable economic outlook of Hong Kong and evaluation of the current businesses of the Group, it will be difficult for the Group's type 1 licensed corporation to achieve growth without commitment of significant working capital, the Group has entered into a sale and purchase agreement to dispose the licensed corporation, which was subsequently terminated. For details, please refer to the Company's announcements dated 18 March 2020 and 15 April 2020. The Group is currently in negotiation with some potential buyers.

FINANCIAL REVIEW

The Group's revenue for the Period was approximately HK\$12.2 million (three months ended 30 June 2019: approximately HK\$12.1 million), representing a slight increase of approximately 0.2% from that of the corresponding period of 2019.

The Group's cost of sales for the Period was approximately HK\$5.1 million (three months ended 30 June 2019: approximately HK\$4.9 million), representing an increase of approximately 4.2% from that of the corresponding period of 2019. 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\$9.9 million (three months ended 30 June 2019: approximately HK\$18.3 million), representing a decrease of approximately 46.1% from those of the corresponding period of 2019. The decrease was due to the one-off non-cash expenses for share-based payments of approximately HK\$9.0 million during the corresponding period of 2019.

The Group's total net gain on fair value change on financial assets at fair value through profit or loss ("FVTPL") for the Period were approximately HK\$0.4 million (three months ended 30 June 2019: total net loss of approximately HK\$12.1 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\$0.7 million (three months ended 30 June 2019: approximately HK\$1.2 million), representing a decrease of approximately 40.3% from those of the corresponding period of 2019. The decrease was due to the decrease in interest on bank and other borrowings during the Period.

Accordingly, the loss attributable to owners of the Company for the Period was approximately HK\$1.6 million (three months ended 30 June 2019: loss of approximately HK\$23.1 million). The substantial decrease was mainly attributable to (1) the one-off non-cash expenses for share-based payments of approximately HK\$9.0 million during the corresponding period of 2019; and (2) the turnaround from the total net fair value loss on financial assets at FVTPL of approximately HK\$12.1 million for the three months ended 30 June 2019 to total net fair value gain on financial assets at FVTPL of approximately HK\$0.4 million for the Period.

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 2020, the Group’s financial assets at FVTPL, with market value of approximately HK\$14.4 million (31 March 2020: approximately HK\$12.1 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	Investment cost HK\$'000	Number of shares held	Approximately percentage of shareholding interest	As at 30 June 2020		For the period ended 30 June 2020		As at	
				Fair value/ carrying value HK\$'000	Approximately percentage to the financial assets at FVTPL	Approximately percentage to the net assets	Realised loss HK\$'000	Unrealised gain/(loss) HK\$'000	31 March 2020 Fair value/ carrying value HK\$'000
WLS Holdings Limited (“WLS”) (Stock code: 8021) (Note 1)	17,188	250,000,000	1.74%	8,000	55.6%	6.6%	-	1,000	7,000
China e-Wallet Payment Group Limited (“e-Wallet”) (Stock code: 802) (Note 2)	7,201	70,010,000	2.55%	5,041	35.1%	4.1%	-	(540)	4,800
Unity Investments Holdings Limited (“Unity”) (Stock code: 913) (Note 3)	795	4,820,000	2.16%	737	5.1%	0.6%	-	(58)	-
Other investments (Notes 4 and 5)	12,507			598	4.2%	0.5%	-	(40)	301
	37,691			14,376	100%	11.8%	-	362	12,101

Notes:

1. WLS is principally engaged in provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business, securities investment business and assets management business.
2. e-Wallet is principally engaged in the provision of internet and mobile application and distribution of computer-related and mobile-related electronic products and accessories.
3. Unity is principally engaged in investing in both listed and unlisted companies.
4. The carrying value of each of these investments represented less than 1% of the net assets of the Group as at 30 June 2020.
5. The Group had less than 1% of the shareholding interest in each of these investments as at 30 June 2020.

During the Period, the Group recorded an unrealised gain of approximately HK\$0.4 million (three months ended 30 June 2019: realised loss of approximately HK\$3.4 million and unrealised loss of approximately HK\$8.6 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 2020.

EVENT AFTER THE REPORTING PERIOD

An extraordinary general meeting of the Company is scheduled to be held on 17 August 2020 to approve the proposed reorganisation of the share capital of the Company involving the share consolidation, the capital reduction and the share sub-division as well as the proposed change in board lot size. For further details, please refer to the announcements of the Company dated 7 July, 17 July and 20 July 2020 and the circular of the Company dated 24 July 2020.

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 People's Republic of China (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.



Due to the keen competition in the media advertising industry in the PRC and reduced demand from freezing of marketing spend in view of outbreak of COVID-19, the Group will dedicate even more efforts to broaden its customer base, improve cost control and actively adjust the business strategy in respond to COVID-19 and latest market changes.

The financial services segment is expected to be challenging during the current year. The Group will continue its effort to enhance our competitiveness within the ever changing industry and economy. The securities broking and trading of securities business is targeted to be disposed during the current year in order to streamline the Group's structure and to further enhance the financial position of the Group and better utilise the Group's financial resources.

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").

The outbreak of COVID-19 in early 2020 severely affected the economic activities in PRC and even the whole world. The Group's operating performance was not significantly affected by the epidemic due to most of the projects performed by the Group were obtained before the outbreak and the Group has taken effective measures to ensure the implementation of the projects. Taking into account the uncertainty of the duration of the epidemic and the implementation of the preventive measures against the spread of the epidemic, the Group's future operating performance may be affected by changes in the future economic conditions and the extent of the impact cannot be predicted as at the reporting date. The Group will continue to keep track of the epidemic development and react proactively to its possible impact on the performance of the Group.

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 2020, 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 any interests or 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 Directors	Capacity/ nature of interests	Number of issued Shares held	Number of underlying Shares held	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 (Note 3)	36,914,500	6.33%
Mr. Wu Di ("Mr. Wu")	Beneficial owner/Personal interest	–	5,829,500 (Note 3)	5,829,500	1.00%
Mr. Cheung Ka Chun ("Mr. Cheung")	Beneficial owner/Personal interest	–	5,829,500 (Note 4)	5,829,500	1.00%
Mr. So Kwok Yun ("Mr. So")	Beneficial owner/Personal interest	–	5,829,500 (Note 4)	5,829,500	1.00%
Mr. Tang Wai Kee ("Mr. Tang")	Beneficial owner/Personal interest	–	5,829,500 (Note 4)	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 2020 (i.e. 582,955,860 Shares).
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).
4. Mr. Cheung, Mr. So and Mr. Tang, independent non-executive Directors were granted the options under the share option scheme of the Company on 31 March 2020 at an exercise price of HK\$0.114 per Share with the exercisable period from 31 March 2020 to 30 March 2023 (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 2020, 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 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 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

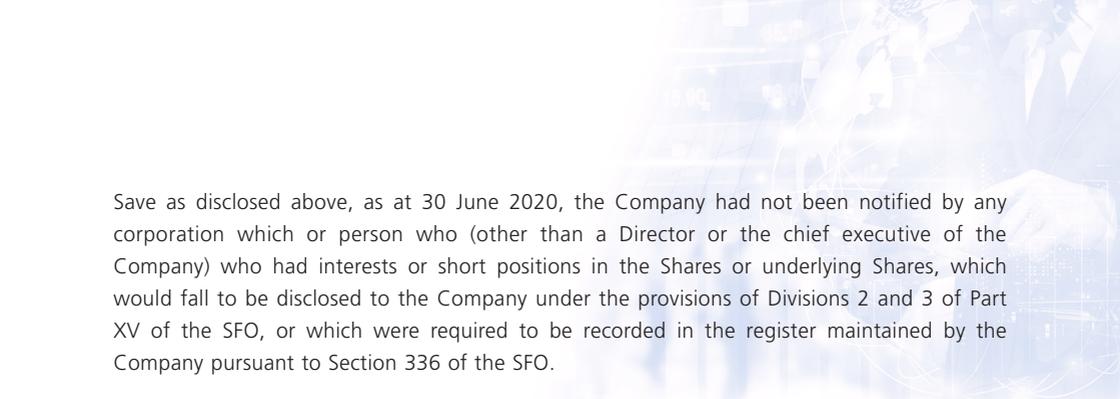
As at 30 June 2020, the following corporations which or persons who (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV 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 2020 (i.e. 582,955,860 Shares).
- 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 2020, the Company had not been notified by any corporation which or person who (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, 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, 10 August 2020

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.