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Future Development Holdings Limited
未來發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1259)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

Revenue increased by about 6.9% over the same period in 2018 to approximately RMB284.4 million.

Gross profit decreased by about 60.4% over the same period in 2018 to approximately RMB23.9 million. Gross profit margin decreased by around 14.3% over the same period in 2018 to about 8.4%.

Loss attributable to the equity holders of the Company for the period amounted to approximately RMB75.3 million, as compared with loss attributable to equity holders of the Company amounting to approximately RMB51.0 million over the same period in 2018.

Basic loss per share attributable to the equity holders of the Company was approximately RMB5.3 cents, basic loss per share attributable to equity holders of the Company for the same period in 2018 was approximately RMB4.4 cents.

The board (the "**Board**") of directors (the "**Directors**") of Future Development Holdings Limited (the "**Company**") hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2019 (the "**Reporting Period**") together with the unaudited comparative figures for the corresponding period in 2018 and the relevant explanatory notes as set out below. The condensed consolidated results are unaudited, but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
REVENUE	*4*	**284,416**	266,055
Cost of sales		**(260,481)**	(205,623)
Gross profit		**23,935**	60,432
Other income and gains	*5*	**5,987**	4,040
Selling and distribution expenses		**(25,220)**	(26,842)
Administrative expenses		**(60,035)**	(60,839)
Other expenses	*6*	**(14,232)**	(12,973)
Finance costs	*7*	**(3,131)**	(4,896)
Share of loss of associates		**(81)**	(4,622)
Share of profit/(loss) of joint ventures		**199**	(461)
Loss before tax	*8*	**(72,578)**	(46,161)
Income tax expense	*9*	**(862)**	(1,750)
Loss for the period		**(73,440)**	(47,911)
(Loss)/profit for the period attributable to:			
Equity holders of the Company		**(75,337)**	(50,998)
Non-controlling interests		**1,897**	3,087
Loss for the period		**(73,440)**	(47,911)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 June 2019

	Notes	Six months ended 30 June **2019** *RMB'000* **(unaudited)**	2018 *RMB'000* (unaudited)
Other comprehensive income/(expense):			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of operations outside Mainland China		**830**	12,583
		830	12,583
Items that may not be reclassified to profit or loss in subsequent periods:			
Loss on change in fair value of financial assets at fair value through other comprehensive income, net of tax		**(51,205)**	(30,835)
		(51,205)	(30,835)
Other comprehensive expense for the period		**(50,375)**	(18,252)
Total comprehensive expense for the period		**(123,815)**	(66,163)
Total comprehensive (expense)/income attributable to:			
Equity holders of the Company		**(125,861)**	(66,286)
Non-controlling interests		**2,046**	123
		(123,815)	(66,163)

		Six months ended 30 June **2019** **RMB cents**	2018 RMB cents
Loss per share attributable to equity holders of the Company	*11*		
Basic		**(5.3)**	(4.4)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	**30 June 2019 *RMB'000* (unaudited)**	31 December 2018 *RMB'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**164,986**	171,823
Right-of-use assets		**12,319**	–
Prepaid land lease payments		**–**	10,511
Investment properties		**114,539**	115,768
Properties for development		**123,911**	123,854
Goodwill		**22,800**	22,800
Interests in associates		**535**	616
Interests in joint venture		**–**	–
Financial assets at fair value through other comprehensive income		**39,556**	128,361
Deferred tax assets		**804**	804
Loan and interest receivables	*12*	**117,880**	107,753
Prepayments and deposits		**16,915**	16,700
		614,245	698,990
CURRENT ASSETS			
Inventories		**44,512**	102,239
Loan and interest receivables	*12*	**58,900**	68,338
Trade and bills receivables	*13*	**96,533**	82,164
Prepayment, deposits and other receivables		**46,941**	40,861
Other financial assets		**–**	14,010
Amounts due from related companies		**–**	9,782
Amount due from an associate		**48,319**	23,589
Amount due from a joint venture		**6,101**	5,896
Amount due from non-controlling interest		**3,062**	2,961
Tax recoverable		**1,083**	136
Pledged bank deposits		**16,759**	7,442
Cash and cash equivalents		**194,264**	218,888
		516,474	576,306

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

As at 30 June 2019

	Notes	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
CURRENT LIABILITIES			
Trade and bills payables	*14*	**66,389**	70,770
Other payables and accruals		**43,474**	43,123
Lease liabilities		**1,343**	–
Bank and other borrowings		**197,834**	173,768
Promissory notes payable		**13,621**	13,615
Amounts due to a related company		**–**	1,500
Amounts due to associates		**21,753**	92,065
Amount due to a joint venture		**–**	4
Amount due to non-controlling interest		**830**	830
Tax payable		**16,176**	16,977
		361,420	412,652
NET CURRENT ASSETS		**155,054**	163,654
TOTAL ASSETS LESS CURRENT LIABILITIES		**769,299**	862,644
NON-CURRENT LIABILITIES			
Lease liabilities		**(337)**	–
Deferred tax liabilities		**(14,885)**	(15,418)
		(15,222)	(15,418)
NET ASSETS		**754,077**	847,226
EQUITY			
Share capital		**13,411**	11,649
Reserves		**665,368**	762,325
Equity attributable to equity holders of the Company		**678,779**	773,974
Non-controlling interests		**75,298**	73,252
TOTAL EQUITY		**754,077**	847,226

Notes:

1. CORPORATE INFORMATION

Future Development Holdings Limited (formerly known as "China Child Care Corporation Limited") was incorporated as an exempted company with limited liability in the Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business in Hong Kong is located at Room 2005-2006, Kinwick Centre, 32 Hollywood Road, Central, Hong Kong. The Company's principal place of business in the People's Republic of China (the "**Mainland China**" or the "**PRC**") is located at No. 8, North Wuqiao Road, Lantian Economic Development Zone, Zhangzhou City, Fujian Province, the PRC.

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in the manufacturing and sale of personal care products, money lending, operation of online platform, trading of commodities, securities investment, properties holding, investment holding and the provision of food and beverage services.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board and the applicable disclosure requirements under Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Other than the changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("**IFRS**"), the accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2018.

In the current period, for the first time, the Group has applied the following new and amendments to the IFRSs issued by the International Accounting Standard Board. These IFRSs are mandatorily effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's unaudited condensed consolidated financial statements.

IFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

IFRS 16.C21 IFRS 16.1 Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the full retrospective method of adoption with the date of initial application of 1 January 2019. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("**short-term leases**"), and lease contracts for which the underlying asset is of low value ("**low-value assets**").

(a) The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

	Increase/ (decrease) *RMB'000* (unaudited)
Assets	
Increase in right-of-use assets	19,962
Decrease in prepaid land lease payments	(10,511)
Decrease in prepayments, deposits and other receivables	(268)
Increase in total assets	9,183
Liabilities	
Increase in lease liabilities (non-current)	8,146
Increase in lease liabilities (current)	1,037
Increase in total liabilities	9,183

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

IFRS 16 Leases *(Continued)*

(b) The lease liabilities as at 1 January 2019 reconciled to the operating leases commitments as at 31 December 2018 is as follows:

	RMB'000 (audited)
Operating lease commitments as at 31 December 2018	10,481
Weighted average incremental borrowing rate as at 1 January 2019	6.48%

	RMB'000 (unaudited)
Discounted operating lease commitments as at 1 January 2019	10,060
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019 and low-value assets	(877)
Lease liabilities as at 1 January 2019	9,183

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

IFRS 16 Leases *(Continued)*

(b) The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows: (Continued)

Lease liabilities *(Continued)*

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(c) Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets *RMB'000* (unaudited)	Lease liabilities *RMB'000* (unaudited)
At as 1 January 2019	19,962	9,183
Depreciation charges	(2,343)	–
Finance costs	–	317
Payments	–	(3,318)
Disposals	(5,187)	(4,429)
Exchange realignment	(113)	(73)
As at 30 June 2019	12,319	1,680

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following operating segments based on their products and services:

(a) Personal care products – manufacture and sale of skin care, body and hair care, oral care and diaper and tissue products

(b) Money lending

(c) Operation of online platform

(d) Trading of commodities

(e) Securities investment

(f) Properties holding

(g) Provision of food and beverage services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss)/profit, which is a measure of adjusted (loss)/profit before tax. The adjusted (loss)/profit before tax is measured consistently with the Group's (loss)/profit before tax except that interest income derived from banks, other unallocated income and gains, finance costs as well as corporate and unallocated expenses are excluded from such measurement.

Segment assets exclude unallocated property, plant and equipment, prepayments, deposits and other receivables, financial assets at fair value through other comprehensive income, tax recoverable, pledged deposits and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude unallocated other payables and accruals, bank and other borrowings, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Personal care products *RMB'000*	Money lending *RMB'000*	Operation of online platform *RMB'000*	Trading of commodities *RMB'000*	Securities investment *RMB'000*	Properties holding *RMB'000*	Provision of food and beverage services *RMB'000*	Total *RMB'000*
Six months ended 30 June 2019 (unaudited)								
Segment revenue:								
Sales to external customers	**164,640**	**17,965**	**5,219**	**71,324**	**–**	**248**	**25,020**	**284,416**
Segment (loss)/profit	**(38,734)**	**1,470**	**2,205**	**(24,577)**	**(59)**	**(284)**	**(517)**	**(60,496)**
Interest income								**419**
Other unallocated income and gains								**761**
Corporate and other unallocated expenses								**(10,131)**
Finance costs								**(3,131)**
Loss before tax								**(72,578)**

	Personal care products *RMB'000*	Money lending *RMB'000*	Operation of online platform *RMB'000*	Trading of commodities *RMB'000*	Securities investment *RMB'000*	Properties holding *RMB'000*	Provision of food and beverage services *RMB'000*	Total *RMB'000*
Six months ended 30 June 2018 (unaudited)								
Segment revenue:								
Sales to external customers	153,871	16,609	8,838	84,898	–	1,839	–	266,055
Segment (loss)/profit	(30,834)	4,395	6,376	(283)	(64)	365	–	(20,045)
Interest income								1,905
Other unallocated income and gains								2,304
Loss on disposal of a subsidiary	(9,004)							(9,004)
Corporate and other unallocated expenses								(16,425)
Finance costs								(4,896)
Loss before tax								(46,161)

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Personal care products RMB'000	Money lending RMB'000	Operation of online platform RMB'000	Trading of commodities RMB'000	Securities investments RMB'000	Properties holding RMB'000	Provision of food and beverage services RMB'000	Total RMB'000
As at 30 June 2019 (unaudited)								
Segment assets	**255,488**	**180,511**	**11,247**	**87,377**	**35,575**	**239,347**	**72,193**	**881,738**
Goodwill			**22,800**					**22,800**
Corporate and other unallocated assets								**226,181**
Total assets								**1,130,719**
Segment liabilities	**93,422**	**3,517**	**50**	**13,806**	**196**	**1,376**	**17,273**	**129,640**
Corporate and other unallocated liabilities								**247,002**
Total liabilities								**376,642**

	Personal care products RMB'000	Money lending RMB'000	Operation of online platform RMB'000	Trading of commodities RMB'000	Securities investments RMB'000	Properties holding RMB'000	Provision of food and beverage services RMB'000	Total RMB'000
As at 31 December 2018 (audited)								
Segment assets	336,704	180,556	13,563	98,949	113,370	240,414	–	983,556
Goodwill			22,800					22,800
Corporate and other unallocated assets								268,940
Total assets								1,275,296
Segment liabilities	181,517	3,043	50	15,829	196	1,624	–	202,259
Corporate and other unallocated liabilities								225,811
Total liabilities								428,070

4. REVENUE

The following is an analysis of the Group's revenue for the period:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from sales of goods	**235,964**	238,769
Interest income from money lending business	**17,965**	16,609
Income from operation of online platform	**5,219**	8,838
Rental income from investment properties	**248**	1,839
Income from provision of food and beverages services	**25,020**	–
	284,416	266,055

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest income	**419**	1,905
Income derived from financial assets at fair value through profit or loss	**342**	399
Gain on acquisition	**91**	–
Reversal of impairment loss on trade receivables	**1,911**	–
Government subsidies*	**2,186**	619
Rental income	**278**	285
Others	**760**	832
	5,987	4,040

* There are no unfulfilled conditions or contingencies relating to these subsidies.

6. OTHER EXPENSES

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss on disposal of property, plant and equipment	**437**	2,580
Impairment loss on loan and interest receivables	**4,988**	488
Impairment on trade receivables	**4,462**	–
Impairment loss on goodwill	**2,523**	–
Trade receivables written off	**–**	232
Loss on early redemption of a promissory note	**–**	104
Loss on disposal of a subsidiary	**–**	9,004
Loss on change in fair value of investment properties	**1,710**	406
Labelling issue recalling expenses	**108**	–
Others	**4**	159
	14,232	12,973

7. FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**1,354**	2,586
Interest on other borrowings	**1,460**	2,174
Imputed interest on promissory notes payable	**–**	136
Finance charges on obligations under leased assets	**317**	–
	3,131	4,896

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories sold (note a below)	**260,481**	205,623
Depreciation of property, plant and equipment (note a below)	**14,222**	18,066
Depreciation of right-to-use asset	**2,243**	–
Amortisation of prepaid land lease payments	**–**	170
Amortisation of intangible assets	**–**	36
Lease payments under short-term leases and low value assets	**2,086**	–
Minimum lease payments under operating leases on land and buildings	**–**	1,966
Direct operating expenses arising from investment properties	**–**	618
Employee benefit expenses (including directors' remuneration) (notes a and b below):		
Wages and salaries	**32,135**	26,975
Equity-settled share option expense	**–**	601
Retirement benefit scheme contributions	**2,880**	3,497
Total staff costs	**35,015**	31,073
Research and development costs (note b below)	**9,905**	5,586
Net foreign exchange loss	**3,101**	5,290

Notes:

(a) The depreciation and employee benefits expenses for the six months ended 30 June 2019 included amounts of RMB1,143,000 (2018: RMB10,556,000) and RMB2,904,000 (2018: RMB7,333,000) respectively which are also included in the cost of inventories sold.

(b) The research and development costs for the six months ended 30 June 2019 include an amount of RMBNil (2018: RMB408,000) relating to staff costs for research and development activities, which is also included in the total amounts of employee benefit expenses.

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Hong Kong profits tax	**1,998**	1,951
PRC Enterprise Income tax	**2**	11
Current tax	**2,000**	1,962
Deferred tax	**(1,138)**	(212)
Total income tax expense	**862**	1,750

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods presented.

PRC subsidiaries, except for 青蛙王子(中國)日化有限公司 ("**Frog Prince (China)**"), are subject to PRC Enterprise Income Tax at 25% of the profit assessable to tax for both of the periods presented.

Pursuant to the High-New Technology Enterprise certificate granted by the local authority in the PRC, which was obtained by the Group in April 2014, a subsidiary, Frog Prince (China), was taxed at a preferential tax rate of 15% for a period of three years commencing from the year ended 31 December 2013. During the prior year ended 31 December 2016, Frog Prince (China) was granted tax preferential rate of 15% in respect of PRC Enterprise Income Tax for an additional three years commencing from that year.

10. DIVIDEND

The directors of the Company do not recommend any payment of interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: nil).

11. LOSS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share is based on loss for the period attributable to the equity holders of the Company of approximately RMB75,337,000 (2018: RMB50,998,000) and the weighted average of 1,425,482,000 (2018: 1,163,556,000) ordinary shares in issue during the six months ended 30 June 2019.

Diluted loss per share for both of the periods are not presented as the effects of potential shares issuable arising from exercise of share options are regarded anti-dilutive.

12. LOAN AND INTEREST RECEIVABLES

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Loan and interest receivables thereon		
– within one year	**68,830**	73,198
– in the second to fifth year	**113,592**	102,878
– over five years	**4,288**	4,875
	186,710	180,951
Less: Impairment loss recognised	**(9,930)**	(4,860)
	176,780	176,091
Analysed for reporting as:		
Non-current assets	**117,880**	107,753
Current assets	**58,900**	68,338
	176,780	176,091

Movement during the period/year are as follows:

	Six months ended 30 June 2019	Year ended 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
At beginning of the period/year	**176,091**	205,382
Loans made by the Group	**19,458**	95,590
Interest on loan receivables	**17,965**	35,936
Loan and interest repaid by borrowers	**(31,835)**	(165,830)
Impairment loss of loan and interest receivables	**(4,988)**	(4,673)
Exchange realignment	**89**	9,686
At end of the period/year	**176,780**	176,091

13. TRADE AND BILLS RECEIVABLES

	30 June 2019 *RMB'000* **(unaudited)**	31 December 2018 *RMB'000* (audited)
Trade and bills receivables	**100,995**	84,075
Less: allowance for doubtful debts	**(4,462)**	(1,911)
	96,533	82,164

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 days to 180 days (31 December 2018: 30 days to 180 days).

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non interest bearing.

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2019 *RMB'000* **(unaudited)**	31 December 2018 *RMB'000* (audited)
Within 30 days	**53,264**	25,859
31 to 60 days	**27,126**	23,502
61 to 90 days	**9,458**	4,025
Over 90 days	**6,685**	28,778
	96,533	82,164

14. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 30 days	**23,019**	34,644
31 to 90 days	**23,419**	18,466
Over 90 days	**19,951**	17,660
	66,389	70,770

The trade payables are non interest bearing and are normally settled on terms of 30 days to 180 days (31 December 2018: 30 days to 180 days).

BUSINESS REVIEW

Personal Care Products

During the Reporting Period, the Group's business segment of personal care products contributed a total revenue of approximately RMB164.6 million, representing an increase of about 7.0% over the same period of last year (30 June 2018: RMB153.9 million). The personal care products business recorded a loss of approximately RMB38.7 million during the Reporting Period as compared with loss of approximately RMB30.8 million for the period ended 30 June 2018.

The continued loss was primarily due to the decrease in the gross profit margin of personal care products segment amid the slowdown of economy in the People's Republic of China (the "**PRC**") and the change in consumers' consumption habits to electronic commerce.

Money Lending Business

During the Reporting Period, the Group's business segment of money lending contributed a total revenue of approximately RMB18.0 million, representing an increase of about 8.2% over the same period of last year (30 June 2018: RMB16.6 million) and recorded a segment profit of approximately RMB1.5 million during the Reporting Period, representing decrease of about 66.6% over the same period of last year (30 June 2018: RMB4.4 million).

As at 30 June 2019, the Group has outstanding (i) unsecured loan of approximately RMB63.1 million with average effective interest rate of approximately 37.8% per annum with terms ranging from 1 month to 120 months; and (ii) mortgage loan of approximately RMB106.1 million with average effective interest rate of approximately 17.3% per annum with terms ranging from 1 month to 240 months. The mortgage loans granted by the Group were typically secured by mortgages, charge on shares or charge on assets. In the event of default or failure to repay any outstanding amounts by the debtors, the Group has the right to proceed with sale of collaterals.

Operation of Online Platform

During the Reporting Period, the Group's business segment of operation of online platform contributed a total revenue of approximately RMB5.2 million to the Group, representing a decrease of about 40.9% over the same period of last year (30 June 2018: RMB8.8 million), and recorded a profit of approximately RMB2.2 million, representing a decrease of about 65.4% over the same period of last year (30 June 2018: RMB6.4 million).

Trading of Commodities

During the Reporting Period, the Group's business segment of trading of commodities contributed a total revenue of approximately RMB71.3 million to the Group, representing a decrease of about 16.0% over the same period of last year (30 June 2018: RMB84.9 million). Sales of electronic products and other electronic components to the electronic product distributors and retailers in the PRC contributed approximately RMB71.3 million to the Group (30 June 2018: RMB75.9 million). No revenue from the trading of beverages, auto parts or other commodities were recorded during the Reporting Period (30 June 2018: RMB2.6 million, RMB2,000 and RMB6.4 million respectively).

During the Reporting Period, the Group's trading of commodities business recorded a loss of approximately RMB24.6 million (30 June 2018: loss of approximately RMB0.3 million).

Securities Investment

The Group's securities investment business includes investment in listed securities and private unlisted fund for long-term purposes which classified as financial assets at fair value through other comprehensive income.

As at 30 June 2019, the Group had a portfolio of securities investment of approximately RMB12.1 million, all of which were equity securities listed in Hong Kong, and unlisted investment fund of approximately RMB23.5 million. During the Reporting Period, the Group recorded a net unrealised loss of approximately RMB38.9 million and a net realised loss of approximately RMB4.4 million (30 June 2018: RMB23.3 million and Nil respectively).

Details of the investments performance during the Reporting Period in respect of equity securities listed in Hong Kong and the unlisted fund held by the Group are as follows:

Name of the investments	% to the total assets of the Group as at 1 January 2019	% to the interest in the respective investments as at 1 January 2019	Fair value as at 1 January 2019	Movement for the period: Disposals	Movement for the period: Change on fair value	Movement for the period: Exchange realignment	Fair value as at 30 June 2019	% to the total assets of the Group as at 30 June 2019	% to the interest in the respective investments as at 30 June 2019	Realised gain/(loss) on investments
	%	*%*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*%*	*%*	*RMB'000*
Listed securities in Hong Kong										
International Entertainment Corporation (1009)	0.92	0.97	11,683	–	(115)	3	11,571	1.02	0.97	–
LEAP Holdings Group Limited (1499)	1.61	1.48	20,531	(20,220)	–	(311)	–	–	–	(6,158)
Singasia Holdings Limited (8293)	0.83	0.15	10,625	(10,464)	–	(161)	–	–	–	5,830
Champion Technology Holdings Limited (92)	0.28	2.41	3,623	(3,569)	–	(54)	–	–	–	(2,894)
Dingyi Group Investment Limited (508)	0.28	0.10	3,566	(3,512)	–	(54)	–	–	–	(1,317)
Gain Plus Holdings Limited (8522)	0.07	0.34	897	(584)	209	(6)	516	0.05	0.12	170
			50,925	(38,349)	94	(583)	12,087			(4,369)
Unlisted fund										
Head and shoulders Global investment Fund SFC	4.90	N/A	62,442	–	(39,034)	80	23,488	2.08	N/A	N/A
Total			113,367	(38,349)	(38,940)	(503)	35,575			(4,369)

The Group will continue to be cautious in making new investments and trading of financial assets under current economic environment amid the intensified conflicts in international trade and volatility in the stock markets and will strive to maintain and grow its portfolio value in future.

Properties Holding

The Group's business segment of properties holding business contributed a total revenue of approximately RMB0.2 million to the Group (30 June 2018: RMB1.9 million).

The properties holding business recorded a segment loss of approximately RMB0.3 million during the Reporting Period (30 June 2018: segment profit of approximately RMB0.4 million).

Provision of Food and Beverage Services

The Group's provision of food and beverage services business has recorded steady growth since its acquisition of Real Power International Group Limited in March 2019 and China Cold Chain Co. Limited in June 2019.

During the Reporting Period, the Group's business segment of provision of food and beverage services business contributed a total revenue of approximately RMB25.0 million to the Group (30 June 2018: Nil).

The provision of food and beverage services business recorded a segment loss of approximately RMB0.5 million during the Reporting Period (30 June 2018: Nil).

FINANCIAL REVIEW

Turnover

During the Reporting Period, the turnover of the Group was approximately RMB284.4 million, representing an increase of about 6.9% over the same period of last year (for the period ended 30 June 2018: RMB266.1 million).

The Group's business segment of personal care products contributed a total revenue of approximately RMB164.6 million, representing an increase of about 7.0% over the same period of last year (for the period ended 30 June 2018: RMB153.9 million).

The Group's business segment of money lending contributed a total revenue of approximately RMB18.0 million, representing an increase of about 8.2% over the same period of last year (for the period ended 30 June 2018: RMB16.6 million).

The Group's business segment of the operation of online platform contributed a total revenue of approximately RMB5.2 million, representing a decrease of about 40.9% over the same period of last year (for the period ended 30 June 2018: RMB8.8 million).

The Group's business segment of trading of commodities contributed a total revenue of approximately RMB71.4 million, representing a decrease of about 16.0% over the same period of last year (for the period ended 30 June 2018: RMB84.9 million).

The Group's business segment of properties holding contributed a total revenue of approximately RMB0.2 million to the Group, representing a decrease of about 86.5% over the same period of last year (for the period ended 30 June 2018: RMB1.9 million).

The Group's business segment of provision of food and beverage contributed a total revenue of approximately RMB25.0 million to the Group (for the period ended 30 June 2018: Nil).

Gross Profit and Gross Profit Margin

Gross profit of the Group for the Reporting Period was approximately RMB23.9 million, representing a decrease of about 60.4% as compared with RMB60.4 million for the period ended 30 June 2018.

During the Reporting Period, the gross profit margin decreased by around 14.3% over the same period of last year to about 8.4% (for the period ended 30 June 2018: 22.7%). The decrease in overall gross profit margin was primarily due to the lower gross profit margin for the personal care products business and gross loss for trading of commodities business.

The total gross profit for personal care products business was about RMB21.1 million for the Reporting Period, representing a decrease of about 35.8% as compared with about RMB32.8 million for the period ended 30 June 2018. Gross profit margin decreased to about 12.8%, representing a decrease of about 8.6% compared with the same period of last year. The decrease was mainly due to the slowdown of economy in the PRC and the change in consumers' consumption habits to electronic commerce.

The gross profit for money lending business for the Reporting Period was about RMB18.0 million (for the period ended 30 June 2018: RMB16.6 million).

The gross profit for operation of online platform business for the Reporting Period was about RMB5.2 million (for the period ended 30 June 2018: RMB8.1 million).

The gross loss for trading of commodities business for the Reporting Period was about RMB23.9 million (gross profit for the period ended 30 June 2018: RMB1.0 million).

The gross profit for properties holding business for the Reporting Period was about RMB0.2 million (for the period ended 30 June 2018: RMB1.9 million).

The gross profit for the provision of food and beverage services business for the reporting period was about RMB3.3 million (for the period ended 30 June 2018: Nil).

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of advertising expenses, marketing and promotion expenses, transportation costs and other expenses. Selling and distribution expenses amounted to approximately RMB25.2 million for the Reporting Period, representing a decrease of about 6.0% as compared with about RMB26.8 million for the period ended 30 June 2018.

The selling and distribution expenses accounted for about 8.9% of the revenue during the Reporting Period (for the period ended 30 June 2018: 10.1%), among which, advertising and promotion expenses, as a percentage of revenue, increased from 4.6% for the period ended 30 June 2018 to about 4.7% for Reporting Period. The transportation expenses and other expenses, as a percentage of revenue, decreased about 1.0% to about 4.2% for the Reporting Period as compared with the same period of 2018 (for the period ended 30 June 2018: 5.2%).

Administrative Expenses

Administrative expenses primarily consisted of salaries and wages for administrative staff, depreciation, share option expenses and other expenses. Administrative expenses of the Group amounted to approximately RMB60.0 million for the Reporting Period (for the period ended 30 June 2018: RMB60.8 million), representing a decrease of about 1.3% over the same period of last year.

Administrative expenses accounted for about 21.1% of the Group's revenue for the Reporting Period (for the period ended 30 June 2018: 22.9%).

Finance Costs

The Group had finance costs of approximately RMB3.1 million for the Reporting Period (for the period ended 30 June 2018: RMB4.9 million).

Acquisition of Subsidiaries

On 1 March 2019, the Company as purchaser, and Pine Victory Limited ("**Pine Victory**"), a company incorporated in Hong Kong with limited liability, as vendor, entered into a sales and purchase agreement pursuant to which the vendor has conditionally agreed to sell and the Company has conditionally agreed to acquire 80% of the entire issued share capital of Real Power International Group Limited ("**Real Power**").

Real Power was incorporated in the British Virgin Islands with limited liability on 1 November 2018 and is an investment holding company. As at the date of this announcement, Real Power is interested in the entire issued share capital of Advance Global Food Limited ("**Advance Global**"), a company incorporated in Hong Kong with limited liability on 9 June 2017, and is primarily engaged in the trading of agriculture products in Hong Kong, i.e. frozen meats. The major products are frozen beef, pork and chicken related products.

Prior to completion of the said acquisition, the Company was interested 20% of the entire share capital of Real Power. The sale and purchase agreement was completed on 29 May 2019. The consideration of the said acquisition was HK$42,000,000, of which HK$22,000,000 was paid in cash and HK$20,000,000 was settled by the Company allotting and issuing 200,000,000 consideration shares at the issue price of HK$0.10 each. Following completion, Real Power and its subsidiaries become wholly-owned subsidiaries of the Company. For details of the said acquisition, please refer the announcements dated 1 March 2019, 29 May 2019 and circular dated 30 April 2019 made by the Company.

On 4 June 2019, Powerful Force Limited ("**Powerful Force**"), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as purchaser, and the vendors, the independent third parties, as vendors, entered into a sale and purchase agreement.

Pursuant to the sales and purchase agreement, the vendors have agreed to sell and Powerful Force has agreed to acquire the entire issued share capital of China Cold Chain Co. Limited ("**China Cold Chain**"). China Cold Chain is principally engaged in the provision of frozen warehouse services. The sale and purchase agreement was completed on 4 June 2019. The consideration of the said acquisition was HK$800,000, which was paid in cash.

Disposal of Subsidiary

On 30 June 2018, Frog Prince (China) Daily Chemicals Co., Limited (青蛙王子(中國)日化有限公司) ("**Frog Prince (China)**"), a wholly-foreign-owned enterprise established in the PRC with limited liability as vendor, and 絲耐潔(福建)口腔健康科技有限公司 (Snagatr (Fujian) Oral Health Technology Co., Limited) ("**Snagatr**"), as purchaser, entered into a share transfer agreement. Pursuant to the agreement, Snagatr had agreed to acquire 80% equity interest in 福建愛潔麗日化有限公司 (Fujian Azalli Daily Chemicals Limited) ("**Fujian Azalli**") at the consideration of RMB12.0 million. Following the completion of the abovementioned share transfer, the Fujian Azalli ceased to be a subsidiary of the Group and a loss on disposal of RMB9.0 million was recognised by the Group.

Net Loss and Net Loss Margin

For the Reporting Period, loss attributable to equity holders of the Company amounted to approximately RMB75.3 million as compared with loss attributable to equity holders of the Company of approximately RMB51.0 million for the period ended 30 June 2018. The net loss margin was about 26.5% as compared with about 19.2% of net loss margin for the period ended 30 June 2018, with basic loss per share of approximately RMB5.3 cents (basic loss per share for the period ended 30 June 2018: RMB4.4 cents).

Capital Expenditure

For the Reporting Period, the Group's material capital expenditure amounted to approximately RMB6.8 million (31 December 2018: RMB11.0 million), mainly used for renovation of our plants, consolidation work of our plants and acquisition of new equipments.

Financial Resources and Liquidity

As at 30 June 2019, cash and cash equivalents of the Group amounted to approximately RMB194.3 million (31 December 2018: RMB218.9 million). The current ratio was 1.4 (31 December 2018: 1.4). Our liquidity remained healthy. The uses of balance of cash and cash equivalents were mainly as follows: firstly, developing money lending business; and secondly, pursuing of the potential opportunity for acquisition and other investment in a timely manner.

Fundraising Activities of the Group

In order to raise additional fund for enhancing the development of the money lending business, on 12 June 2018, the Company and Get Nice Securities Limited ("**Get Nice Securities**") entered into the placing agreement pursuant to which the Company has conditionally agreed to place through Get Nice Securities on a best effort basis, up to 231,687,000 placing shares at a price of HK$0.130 per placing share. Completion of the said placing took place on 27 June 2018 and 231,687,000 placing shares were successfully placed to not less than six independent third parties at the placing price of HK$0.130 per placing share.

The net proceeds of the said placing, after deduction of the placing commission and related expenses, amounted to approximately HK$29.6 million, which were fully utilised for the provision of loans to 65 individuals which, in aggregate, amount to approximately HK$29.6 million under various terms ranging from 3 to 120 months with interest rate ranging from 12.4% to 58.0% per annum. Details of the said placing are set out in the Company's announcements dated 12 June 2018 and 27 June 2018.

On 18 June 2019, the Company entered into the placing agreement with Merdeka Capital Limited ("**Merdeka Capital**") pursuant to which Merdeka Capital has conditionally agreed, as agent of the Company, to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 220,000,000 placing shares at the placing price of HK$0.136 per placing share. Completion of the said placing took place on 15 July 2019 and 220,000,000 placing shares were placed to not less than six placees at the placing Price of HK$0.136 per placing share.

The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the said placing, amounted to approximately HK$29.3 million. As at 30 August 2019, the actual net proceeds was utilised as to HK$3.5 million for the purchase of inventories, namely frozen pork, beef and chicken related products, in connection with the Group's food and beverage services business and the balance to be utilised as intended. Details of the said placing are set out in the Company's announcements dated 18 June 2019 and 15 July 2019.

Loan and Interest Receivables

As at 30 June 2019, the Group's loan and interest receivables were approximately RMB176.8 million (31 December 2018: RMB176.1 million). During the period, the Group had provided loans of approximately RMB19.5 million (31 December 2018: RMB95.6 million), with an average annual interest rate of approximately 41.6% (31 December 2018: 30.2%).

A provision for impairment loss on loan and interest receivables of approximately 5.0 million was made during the Reporting Period (30 June 2018: RMB0.5 million).

Trade and Bills Receivables

As at 30 June 2019, the Group's trade and bills receivables were approximately RMB96.5 million (31 December 2018: RMB82.2 million). The Group usually grants a credit period of 30 to 180 days to our customers. A provision for impairment loss or trade and bills receivable of approximately RMB4.5 million was practiced during the Reporting Period (30 June 2018: Nil).

Trade and Bills Payables

As at 30 June 2019, trade and bills payables were approximately RMB66.4 million (31 December 2018: RMB70.8 million). The Group settled its payables within 30 to 180 days in general and kept good payment records.

Inventories

As at 30 June 2019, inventories of the Group were approximately RMB44.5 million (31 December 2018: RMB102.2 million). As at 30 June 2019, the inventory balance decreased by about 56.5% over 31 December 2018.

Gearing Ratio

As at 30 June 2019, the current assets and total assets of the Group were approximately RMB516.5 million and RMB1,130.7 million respectively, the current liabilities and total liabilities of the Group were approximately RMB361.4 million and RMB376.6 million respectively. The gearing ratio (total liabilities/total assets) of the Group was approximately 33.3% (31 December 2018: 33.6%).

Bank and Other Borrowings

As at 30 June 2019,

(i) the Group had bank borrowing of approximately RMB55.0 million (31 December 2018: RMB55.0 million). Facilities were provided to the Group with from banks in PRC with a guarantee from suppliers in the PRC;

(ii) the Group had other secured borrowings of approximately RMB132.8 million (31 December 2018: RMB98.8 million); and

(iii) the Group had other unsecured borrowings of approximately RMB10.0 million (31 December 2018: RMB20.0 million).

Pledge of Assets

As at 30 June 2019,

(i) the Group had pledged deposits of RMB16.8 million (31 December 2018: RMB7.4 million) for short-term bank borrowings and bills payable;

(ii) investment property of RMB83.5 million (31 December 2018: RMB83.4 million) was pledged for other borrowings; and

(iii) certain shares of subsidiaries have been pledged for other borrowing (31 December 2018: certain shares of subsidiaries have been pledged for other borrowing).

Capital Structure

The major objective of the Group's capital management is to ensure the ability of sustainable operations and maintain a healthy capital ratio in order to support its businesses and maximise the interests of the shareholders (the "**Shareholders**") of the Company. The Group continued to emphasise the appropriate mix of equity and debt to ensure an efficient capital structure in order to reduce capital cost.

Risk of Foreign Exchange

The Group has no significant exposure to foreign currency risk because most of the Group's transactions are denominated in Renminbi. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As at 30 June 2019 and 31 December 2018, the Group had no material contingent liabilities.

OUTLOOK

The Group will continue to strengthen, develop and diversify its business portfolio and to further establish a sustainable investment portfolio. In light of the slowdown of the economy in the PRC, the intensified conflicts in international trade and volatility in the stock markets, the Group will continue to adopt a prudent approach for the development of its businesses, including personal care business, money lending business, trading of commodities, securities investment, properties holding and investment holding and provision of food and beverage services.

Looking ahead, the Group expects the prospects for the Group's personal care business to be challenging amid the continued slowdown of the economy in the PRC and the shift of spending habit of the consumers to e-commerce. Further, the manufacturing industry in the PRC has generally been facing increasing labour cost and material cost. In order to cope with such challenges, the Group will strive to improve the responsiveness of its supply chain and enhance its product development capabilities.

The Group's money lending business has gradually expanded over time. Pursuant to the Group's prudent management approach, the Company does not intend to further expand its personal loans and mortgage loans portfolio in order to better manage its risks. Nevertheless, the Group is currently exploring potential opportunities to expand its money lending business through participation of financial leasing business in the PRC, which the Directors considered the risk involved to be lower.

Taking into account the volatile global economy and weak demand from customers, the Company anticipates that the operating environment for the Group's trading of commodities business will remain challenging. Hence, the Group will continue to adopt stringent cost control measures for this business segment.

The Group currently holds lands and properties located in Yuen Long, Hong Kong and an industrial property located at Cheung Sha Wan, Hong Kong. The Group is optimistic about the development of property market in Hong Kong due to shortage in supply of land and therefore, has been identifying the potential property investment and development opportunities in Hong Kong. It is the current intention of the Company that the properties erected on all the lands in Yuen Long, Hong Kong held by the Group shall be demolished and such lands shall be redeveloped. Relevant applications have been made to the Hong Kong Government in relation to the redevelopment of the said lands. To the best knowledge, information and belief of the directors of the Company, there is no legal impediment in obtaining the relevant approval from the Hong Kong Government.

Following completion of the acquisition of food and beverage services business, the Group had recorded steady growth in the financial performance of this business segment. The Directors considers that the prospect of the food and beverage service industry in Hong Kong to remain promising. Further, the Group's provision of food and beverage services serves the local livelihood needs and is generally less reliant on the PRC market. The Group also has a strong customer network, which mainly comprises of reputable branded chain-stores, hotel restaurants and supermarkets in Hong Kong.

The Group will make better use of internal resources to expand businesses of different scopes to make the Group's business more diversified and to improve the profitability of the Group and the interests of the Shareholders more effectively. The Group will consider from time to time other investment opportunities. The Company will make an announcement according to the requirements of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as and when appropriate.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 30 April 2019 and upon obtaining the Certificate of Incorporation on Change of Name issued by the Registrar of Companies in the Cayman Islands, the English name of the Company was changed from "China Child Care Corporation Limited" to "Future Development Holdings Limited" and the Chinese name "未來發展控股有限公司" was adopted as the secondary name of the Company in place of the Chinese name "中國兒童護理有限公司", both with effect from 2 May 2019.

EMPLOYEES AND REMUNERATION

As at 30 June 2019, the Group employed 982 employees (as at 31 December 2018: 921 employees).

In addition to basic salaries, year-end bonuses may be rewarded by the Group to those staff members with outstanding performance. Constituent companies of the Group established in the PRC are also subject to social insurance contribution plans required by the PRC government. In accordance with the relevant national and local labour and social welfare laws and regulations, constituent companies of the Group established in the PRC are required to pay on behalf of their employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and other relevant insurance.

In addition, a share option scheme was adopted by the Company in June 2011 and the limit of the share option scheme was refreshed in June 2019 to reward staff members who make contributions to the success of the Group. The Directors believe that the compensation packages offered by the Group to its staff members are competitive in comparison with market standards and practices.

DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company, comprising the Company's three independent non-executive directors, has reviewed the unaudited condensed consolidated results of the Company for the six months ended 30 June 2019, including accounting principles and practices adopted by the Group, and discussed financial reporting matters.

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Listing Rules during the period ended 30 June 2019.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All the Directors have confirmed, following specific enquiry made by the Company, that they have complied with the required standard as set out in the Model Code during the Reporting Period.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 10 July 2019, the Company and Frankinton Technology Limited ("**Frankinton**") entered into the disposal agreement, pursuant to which Frankinton has conditionally agreed to acquire and the Company has conditionally agreed to sell the entire issued share capital of Golden Virtue Investment Holdings Limited ("**Golden Virtue**") at the total consideration of HK$125 million. The said consideration shall be satisfied on the completion date as (i) an amount equivalent to the outstanding loan owing or incurred by the Company to Frankinton to be offset on a dollar-for-dollar basis; and (ii) the balance upon the offset to be paid by Frankinton in cash to the Company. The principal business of Golden Virtue is investment holding and its subsidiary holds the parcels of land at No. 8 Wuqiao Bei Road, Lantian Economic Development Zone, Longwen District, Zhangzhou City, Fujian Province, the PRC with a total area of approximately 40,473 square metres. Details regarding the major transaction are set out in the announcement dated 10 July 2019, 31 July 2019 and 23 August 2019 made by the Company.

On 16 July 2019, the Board announced that it proposed to change the English name of the Company from "Future Development Holdings Limited" to "Prosperous Future Holdings Limited", and the Chinese name of the Company "未來發展控股有限公司" would remain unchanged. Details regarding the change of company name are set out in the announcement dated 16 July 2019 and the circular dated 9 August 2019 made by the Company.

On 19 July 2019, China Cold Chain, an indirect wholly-owned subsidiary of the Company, as tenant and ATL Logistics Centre Hong Kong Limited as landlord entered into the 5 years tenancy agreement in respect of the lease of certain portion of the building containing a multi-storeyed container freight station located at Gridlines 2001W-2004W, 2nd Floor, ATL Logistics Centre Phase II, Berth No. 3, Kwai Chung Container Terminal, Kwai Chung, New Territories, Hong Kong (the "**Property**").

The Property is located at Kwai Chung Container Terminal, being one of the major international container ports in the world. Given that the Group is planning to develop its provision of frozen warehouse services business, the Directors consider that the size and location of the Property suit the Group's current business needs and is in line with the Group's development strategy. Details regarding the tenancy agreement are set out in the announcement dated 19 July 2019 made by the Company.

On 23 August 2019, the Company entered into the disposal agreement with Billionaire Asia Limited ("**Billionaire Asia**") pursuant to which the Company has agreed to sell and Billionaire Asia has agreed to acquire 51% of the issued shares in Marvel Paramount Holdings Limited ("**Marvel Paramount**") at a total consideration of HK$40,000,000. Marvel Paramount and its subsidiaries are principally engaged in the operation of online platform. Details of the said disposal are set out in the announcement dated 23 August 2019 made by the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.princefrog.com.cn) and the Stock Exchange (www.hkexnews.hk). The Company's interim report for the six months ended 30 June 2019, containing all the information required by the Listing Rules, will be dispatched to the Shareholders and available on the above websites in due course.

By order of the Board
Future Development Holdings Limited
Tsai Wallen
Chairman and Executive Director

30 August 2019

As at the date of this announcement, the Board comprises (i) three executive directors, namely Mr. Tsai Wallen, Mr. Chau Ling and Mr. Lau Ka Ho; (ii) one non-executive director, namely Mr. Li Zhouxin; and (iii) three independent non-executive directors, namely Ms. Chan Sze Man, Mr. Ma Kwun Yung Stephen and Ms. Bu Yanan.