GLOBAL TECH (HOLDINGS) LIMITED
耀科國際(控股)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 143)

SECOND INTERIM RESULTS FOR THE NINE MONTHS ENDED 30 JUNE 2017

The board of directors (the "Board") of Global Tech (Holdings) Limited (the "Company") announces the unaudited condensed consolidated results of the Company together with its subsidiaries (the "Group") for the nine months ended 30 June 2017 (the "Period"), together with the comparative figures, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 June 2017

		For the nine months ended 30 June	
		2017	2016
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**63,257**	76,635
Cost of sales		**(45,075)**	(56,005)
Gross profit		**18,182**	20,630
Other revenue	*5*	**516**	459
Selling and distribution expenses		**(2)**	(23)
Administrative expenses		**(43,282)**	(36,531)
Other operating expenses		**(614)**	(44)
Finance costs		**(106)**	(96)
Loss before taxation	*6*	**(25,306)**	(15,605)
Taxation	*7*	**(14)**	–
Loss for the period		**(25,320)**	(15,605)

* *For identification purpose only*

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

For the nine months ended 30 June 2017

		For the nine months ended 30 June	
		2017	2016
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**84**	66
Other comprehensive income for the period, net of tax		**84**	66
Total comprehensive loss for the period		**(25,236)**	(15,539)
Loss for the period attributable to owners of the Company		**(25,320)**	(15,605)
Total comprehensive loss for the period attributable to owners of the Company		**(25,236)**	(15,539)
Loss per share attributable to owners of the Company			
Basic and diluted (HK cents)	*8*	**(0.421)**	(0.278)

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Notes	At 30 June 2017 (Unaudited) HK$'000	At 30 September 2016 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	*10*	**324,521**	3,343
Available-for-sale financial assets		**5,950**	5,950
		330,471	9,293
Current assets			
Inventories		**1,604**	1,432
Trade receivables	*11*	**1,166**	1,137
Prepayments, deposits and other receivables		**8,220**	8,415
Financial assets at fair value through profit or loss		**202**	204
Tax recoverable		**126**	–
Pledged time deposits		**5,072**	5,044
Cash and bank balances		**95,503**	52,923
		111,893	69,155
Current liabilities			
Trade payables	*12*	**368**	2,622
Accrued charges and other payables		**37,353**	23,397
Bank borrowings		**4,500**	4,500
Loan from the immediate holding company		**–**	50,000
		42,221	80,519
Net current assets/(liabilities)		**69,672**	(11,364)
Total assets less current liabilities		**400,143**	(2,071)
Non-current liability			
Deferred tax liabilities		**527**	–
Net assets/(liabilities)		**399,616**	(2,071)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2017

	At 30 June 2017 (Unaudited) HK$'000	At 30 September 2016 (Audited) HK$'000
Equity		
Capital and reserves attributable to owners of the Company		
Share capital	**77,489**	51,659
Reserves	**322,127**	(53,730)
Total equity	**399,616**	(2,071)

The accompanying notes form an integral part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 June 2017

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 9 December 1998 as an exempted company with limited liability and its shares have a primary listing on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a secondary listing on Singapore Exchange Securities Trading Limited (the "Singapore Exchange").

The registered office of the Company is P.O. Box 309, Ugland House, George Town, Grand Cayman KY1-1104, Cayman Islands and the principal place of business of the Company is located at 15th Floor of Tower II, Admiralty Centre, No.18 Harcourt Road, Hong Kong.

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in trading of telecommunications products, provision of repair services for telecommunications products and investments in financial assets.

The directors of the Company (the "Directors") regard Road Shine Developments Limited, a company incorporated in the British Virgin Islands as the immediate holding company, and 中信國安集團有限公司 (CITIC Guoan Group*), a company incorporated in the People's Republic of China as the ultimate holding company.

2. BASIS OF PREPARATION

The reporting period end date of the Group changed from 30 September to 31 December to align the Company's financial year end with that of CITIC Guoan Group*, the ultimate holding company of the Company. Accordingly, the unaudited condensed consolidated financial statements for the current period cover the nine months period ended 30 June 2017. The corresponding comparative amounts shown cover the nine months period from 1 October 2015 to 30 June 2016.

The second interim results announcement contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 2016 annual financial statements. The unaudited condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong.

The unaudited condensed consolidated financial statements have been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and the Hong Kong Companies Ordinance.

* *For identification purpose only*

3. SIGNIFICANT ACCOUNTING POLICIES

The measurement basis used in the preparation of these unaudited condensed consolidated financial statements is historical cost except for certain financial instruments that are measured at fair value.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 30 September 2016. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2016 with addition for the following new and amended standards (collectively referred to as the "new and amended HKFRSs") issued by the HKICPA, which have become effective.

HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

The adoption of new and amended HKFRSs had no material impact on the unaudited condensed consolidated financial statements of the Group for the current and prior accounting periods.

4. SEGMENT INFORMATION

For management purpose, the Group is principally engaged in (i) trading of telecommunications products; (ii) provision of repair services for telecommunications products; and (iii) investments in financial assets.

The Group's operating businesses are almost exclusively with customers based in Hong Kong. Accordingly, no segment analysis by geographical area of operations is provided.

An analysis of the Group's reportable segments for the nine months ended 30 June 2017 and 2016 is as follows:

(a) Segment revenue and results

	For the nine months ended 30 June 2017			
	Trading of telecommunications products (Unaudited) *HK$'000*	Provision of repair services for telecommunications products (Unaudited) *HK$'000*	Investments in financial assets (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Revenue	**4,575**	**58,684**	**(2)**	**63,257**
Segment results	**379**	**6,221**	**–**	**6,600**
Interest income				**38**
Finance costs				**(106)**
Unallocated expenses				**(31,838)**
Loss before taxation				**(25,306)**
Taxation				**(14)**
Loss for the period				**(25,320)**

	For the nine months ended 30 June 2016			
	Trading of telecommunications products (Unaudited) *HK$'000*	Provision of repair services for telecommunications products (Unaudited) *HK$'000*	Investments in financial assets (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Revenue	6,768	69,856	11	76,635
Segment results	3,667	(3,503)	14	178
Interest income				11
Finance costs				(96)
Unallocated expenses				(15,698)
Loss before taxation				(15,605)
Taxation				–
Loss for the period				(15,605)

Revenue reported above represents revenue generated from external customers. There are no inter-segment sales for the nine months ended 30 June 2017 (2016: HK$ Nil).

Segment result represents the result generated from each segment without allocation of central administrative costs including directors' salaries, staff costs, legal and professional fees and taxation. This is the measure reported to the chief operating decision-makers for the purpose of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

	At 30 June 2017			
	Trading of telecommunications products (Unaudited) *HK$'000*	Provision of repair services for telecommunications products (Unaudited) *HK$'000*	Investments in financial assets (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Segment assets	**6,997**	**11,774**	**3,336**	**22,107**
Available-for-sale financial assets				**5,950**
Unallocated corporate assets				**414,307**
Consolidated total assets				**442,364**
Segment liabilities	**(631)**	**(7,430)**	**–**	**(8,061)**
Unallocated corporate liabilities				**(34,687)**
Consolidated total liabilities				**(42,748)**

	At 30 September 2016			
	Trading of telecommunications products (Audited) *HK$'000*	Provision of repair services for telecommunications products (Audited) *HK$'000*	Investments in financial assets (Audited) *HK$'000*	Consolidated (Audited) *HK$'000*
Segment assets	7,128	12,263	3,338	22,729
Available-for-sale financial assets				5,950
Unallocated corporate assets				49,769
Consolidated total assets				78,448
Segment liabilities	(476)	(8,465)	–	(8,941)
Unallocated corporate liabilities				(71,578)
Consolidated total liabilities				(80,519)

For the purpose of monitoring segment performance and allocating resources between segments:

i) All assets are allocated to reportable segments other than available-for-sale financial assets, tax recoverable and unallocated corporate assets; and

ii) All liabilities are allocated to reportable segments other than current tax liabilities, deferred tax liabilities and unallocated corporate liabilities.

5. OTHER REVENUE

	For the nine months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income	**38**	11
Sundry income	**478**	448
	516	459

6. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting):

	For the nine months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of trading inventories sold	**2,019**	4,062
Employee benefit expenses (including directors' emoluments)	**25,926**	21,329
Retirement benefit costs (including directors' benefit costs)	**1,015**	923
Depreciation	**3,208**	999
Bad debts written off*	**304**	28
Loss on written off of property, plant and equipment*	**121**	10
Allowance for inventories	**27**	255
Reversal of allowance for inventories	**(12)**	(21)
Written off of inventories	**20**	8
Impairment of trade receivables*	**2**	–
Impairment of other receivables*	**180**	–
Exchange gains, net*	**(7)**	(3)

* Items included in other operating expenses.

7. TAXATION

	For the nine months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**–**	–
Deferred tax:		
Current period charge	**14**	–
	14	–

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK$25,320,000 (2016: HK$15,605,000) and the weighted average number of 6,015,579,055 (2016: 5,617,369,713) ordinary shares for the nine months ended 30 June 2017 for the purposes of calculating basic and diluted loss per share have been adjusted with the effect of the rights issue on the basis of one rights share for every two existing shares held on the record date at the subscription price of HK$0.170 per rights share with proceeds of approximately HK$439,108,000 (before deducting professional fees and other relevant expenses) received (the "Rights Issue") which completed on 11 May 2017.

The diluted loss per share for the nine months ended 30 June 2017 and 2016 was the same as basic loss per share as there were no potential outstanding shares for the periods.

9. DIVIDEND

The Board does not recommend the payment of interim dividend for the nine months ended 30 June 2017 (2016: HK$ Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 June 2017, the Group acquired property, plant and equipment at a cost of approximately HK$258,000 (2016: HK$1,286,000), and also acquired a property arising from acquisition of a subsidiary at consideration of approximately HK$324,249,000 (2016: HK$ Nil).

During the nine months ended 30 June 2017, the Group had written off of property, plant and equipment with a carrying amount of approximately HK$121,000 (2016: HK$10,000).

11. TRADE RECEIVABLES

At the end of the reporting periods, the aging analysis of the trade receivables is as follows:

	At 30 June 2017 (Unaudited) ***HK$'000***	At 30 September 2016 (Audited) *HK$'000*
Current	**690**	460
One to three months overdue	**318**	325
More than three months, but less than twelve months overdue	**158**	59
Over twelve months overdue	**139,305**	139,563
	140,471	140,407
Less: Impairment loss recognised	**(139,305)**	(139,270)
	1,166	1,137

Note:

The credit terms granted to the Group's customers vary and are generally the results of negotiations between the Group and individual customers.

12. TRADE PAYABLES

At the end of the reporting periods, the aging analysis of the trade payables is as follows:

	At 30 June 2017 (Unaudited) *HK$'000*	At 30 September 2016 (Audited) *HK$'000*
Current and within one month	**357**	2,611
One to three months overdue	**–**	–
Over three months overdue	**11**	11
	368	2,622

13. OPERATING LEASE COMMITMENTS

The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At the end of reporting periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	At 31 June 2017 (Unaudited) *HK$'000*	At 30 September 2016 (Audited) *HK$'000*
Within one year	**3,269**	3,429
In the second to fifth years, inclusive	**1,550**	1,610
	4,819	5,039

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group announced on 2 June 2017 a change in the financial year end date of the Company from 30 September to 31 December. This change is to align its financial year end date with that adopted by its substantial shareholder, CITIC Guoan Group* so as to facilitate the preparation of consolidated financial statements of the Company and of CITIC Guoan Group*. The Board considers that the change will benefit the overall development of the Group. Accordingly, the Group's second unaudited interim results cover a 9-month period from 1 October 2016 to 30 June 2017.

The Company is currently a subsidiary of Road Shine Developments Limited ("Road Shine") which holds approximately 53.218% of the total issued share capital of the Company. Road Shine, through Guoan (HK) Holdings Limited, is indirectly owned by CITIC Guoan Group*, a conglomerate in the People's Republic of China, headquartered in Beijing.

During the nine months ended 30 June 2017 (the "Period"), the Group was principally engaged in the trading of telecommunications products, provision of repair services for telecommunications products, and investments in financial assets. The Group is also exploring other investment or business development opportunities to build new avenues of revenue and earnings growth.

New Chapter of Development

As the Group's development is being elevated to a new platform, the Board proposes to change the name of the Company to better identify it with CITIC Guoan Group*. As announced on 6 June 2017, the Board proposes to change the English name of the Company to "Guoan International Limited" and to adopt the Chinese name of "國安國際有限公司" as the new dual foreign name of the Company. The proposed change of name of the Company is subject to the approval of the shareholders at an extraordinary general meeting scheduled to be held on 18 August 2017.

The proposed change of name of the Company is a reflection of the Group's new chapter of development, and will provide a fresh new corporate identity and image for the Group.

Following the completion of the Rights Issue, the Group has repaid the major shareholder's loan, thereby substantially lowering the gearing ratio. With a healthy financial position, as well as continue support from CITIC Guoan Group*, the Group is now placed on a new foundation ready to forge growth opportunities leading towards new business horizons.

* *For identification purpose only*

Performance

The Hong Kong economy entered 2017 demonstrating an improving trend in the first quarter. Management is nevertheless vigilant to the downside risks amid the constraints on domestic sector growth and as the global outlook is still fraught with uncertainties.

Retail sales in Hong Kong recorded moderate growth after two years of decline. The Hong Kong SAR Government noted that the near-term outlook for the retail sector will hinge on the recovery pace of inbound tourism as well as the resilience of local consumption sentiment in the face of the United States' interest rate upcycle and other external factors.

In these circumstances, the Group recorded a gross profit of approximately HK$18.2 million during the Period (30 June 2016: HK$20.6 million), a decrease of 11.7% year on year. Revenue for the Period declined 17.4% to approximately HK$63.3 million (30 June 2016: HK$76.6 million), incurring a net loss of approximately HK$25.3 million (30 June 2016: loss of HK$15.6 million).

Revenue generated from the provision of repair services during the Period fell 16.0% year on year to approximately HK$58.7 million (30 June 2016: HK$69.9 million) reflecting lower demand for smartphone upgrading and maintenance services. This services provision segment continued to provide a steady stream of recurrent income for the Group, while complementing the trading business. Trading of telecommunications products generated revenue of approximately HK$4.6 million (30 June 2016: HK$6.8 million).

Financial Review

As at 30 June 2017, overall inventory remained at a relatively low level of approximately HK$1.6 million (30 September 2016: HK$1.4 million).

As at 30 June 2017, a fixed deposit of approximately HK$5.1 million (30 September 2016: HK$5.0 million) was pledged to secure banking facilities during the Period. The current ratio was approximately 2.65 (30 September 2016: 0.86) while the liquid ratio was approximately 2.61 (30 September 2016: 0.84).

The Group's bank borrowings amounted to HK$4.5 million (30 September 2016: HK$4.5 million) as at 30 June 2017. Its gearing ratio, expressed as a percentage of total borrowings over total assets, was 0.01% (30 September 2016: 69.5%). The gearing ratio was significantly improved as the Group has utilised the net proceeds of the Rights Issue to repay the interest-free and unsecured loan of HK$336.2 million to Road Shine, the major shareholder of the Company. The Group currently maintains a healthy financial position.

Outlook

The Group has taken steps to strengthen its balance sheet and internal resources during the Period. It is now ready to seek diversified development in various markets and business arenas. Drawing on the strengths and with the support of CITIC Guoan Group*, the Group will particularly take note of the business potential of the technology, trading and finance sectors. Business developments will be pursued prudently upon evaluation of the projects' potential return against risks.

By market, the Group will seek to invest into the growth cycle in Southeast Asia. The region has continued to be the world leader in growth, and China's Belt and Road initiative is expected to stimulate Asian growth further by increasing trade activity and infrastructure development. In addition to lending new dynamism to the growth paths of Asian countries, the scheme has the potential to reignite global growth. The management believes that the outlook for the region will remain robust despite some headwinds in the near term.

Major mobile phone vendors and network operators have reported declining handset sales in Hong Kong due to a reduced demand for new smartphones. The local telecommunications market, being highly saturated and competitive, will remain challenging. The Group will continue to adopt a prudent strategy for this business, with low inventory levels and stringent cost control.

The Group is now on a new, solid platform to seek valuable business opportunities, to the long-term benefit of shareholders. The Group will deploy resources to identify and invest in new additions to its business portfolio which will contribute to further value generation in future. The long-term goal remains to build a framework for sustainable growth.

Hard work remains to translate these initiatives into a major performance enhancement, but the Group is now much better placed to drive long-term growth. The Board is working towards realising the development goals progressively.

Currencies

The Group conducts its core business transactions mainly in Hong Kong dollars, New Taiwan dollars and United States dollars. The majority of the Group's cash and bank balances are also denominated in these three currencies. During the nine months ended 30 June 2017, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

* *For identification purpose only*

Contingent Liability

The Group did not have any significant contingent liability at 30 June 2017.

Events after the End of the Reporting Period

On 6 June 2017, the Board proposed to change the English name of the Company from "Global Tech (Holdings) Limited" to "Guoan International Limited" and to adopt the Chinese name of "國安國際有限公司" as the new dual foreign name of the Company in place of its existing dual foreign name of "環球科技控股有限公司". The Chinese name of "耀科國際(控股)有限公司*" currently used for identification purpose will cease to be used once the change of company name has become effective. The proposed change of company name is subjected to the approval at the extraordinary general meeting of the Company to be held on 18 August 2017.

Employee Information

At 30 June 2017, the Group employed a workforce of 118 (30 June 2016: 111). Staff costs for the Period, including salaries, bonuses, and allowances, were approximately HK$26.9 million(30 June 2016: HK$22.3 million).

The Group will review and maintain a competitive remuneration policy to attract, motivate and retain talents. The remuneration packages mainly comprise salary payments, group medical insurance plans and discretionary bonuses awarded on a performance basis. The Group provides pension schemes for employees as part of their staff benefits.

DIVIDEND

The Board does not recommend the payment of interim dividend for the nine months ended 30 June 2017 (2016: HK$ Nil).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 June 2017.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the nine months ended 30 June 2017.

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MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry, the Company has obtained confirmation from all directors that they have complied with the required standards set out in the Model Code during the nine months ended 30 June 2017.

REVIEW OF SECOND INTERIM RESULTS BY AUDIT COMMITTEE

The unaudited second interim results of the Group for the nine months ended 30 June 2017 have been reviewed by the Audit Committee of the Company.

PUBLICATION OF SECOND INTERIM RESULTS AND SECOND INTERIM REPORT

This announcement is published on the websites of the Company (www.iglobaltech.com), the Stock Exchange (www.hkexnews.hk) and Singapore Exchange (www.sgx.com). The second interim report containing all the information required by the Listing Rules will be published on the above websites and dispatched to the shareholders of the Company in due course.

On behalf of the Board
Global Tech (Holdings) Limited
DU Jun
Chairman

Hong Kong, 17 August 2017

As at the date of this announcement, the Board comprises 9 directors, of which 2 are executive directors, namely Mr. HUANG Zhen Qian, Mr. SO Haw Herman, 4 are non-executive directors, namely Mr. DU Jun, Mr. LI Xiang Yu, Mr. CUI Ming Hong and Mr. YANG Li Ming and 3 are independent non-executive directors, namely Mr. WONG Chun Man, Mr. TSE Yung Hoi and Mr. NG Man Kung.