

金石資本集團有限公司 GOLDSTONE CAPITAL GROUP LIMITED

(formerly known as Youth Champ Financial Group Holdings Limited 優創金融集團控股有限公司)

(incorporated in Bermuda with limited liability)

Stock Code: 1160



Interim Report 2022

Contents

Corporate Information	2
Unaudited Condensed Interim Financial Statements	4
Condensed Statement of Profit or Loss and Other Comprehensive Income	5
Condensed Statement of Financial Position	6
Condensed Statement of Changes in Equity	7
Condensed Statement of Cash Flows	8
Notes to the Unaudited Condensed Interim Financial Statements	9
Management Discussion and Analysis	18



Corporate Information

BOARD OF DIRECTORS

Executive Director

Ms. Chan Mei Yan

Non-Executive Directors

Mr. Huang Bin (*Chairman*)

Ms. Guo Yanchun

(*resigned on 1 December 2022*)

Mr. Chen Huaiyuan

Mr. Lam King

Mr. Xu Lin

(*appointed on 1 December 2022*)

Independent Non-Executive Directors

Ms. Ma Yin Fan

Mr. Hung Hoi Ming Raymond

Mr. Ning Fong

COMPANY SECRETARY

Mr. Leung Chung Man

AUDIT COMMITTEE

Ms. Ma Yin Fan (*Chairman*)

Mr. Hung Hoi Ming Raymond

Mr. Ning Fong

REMUNERATION COMMITTEE

Mr. Ning Fong (*Chairman*)

Mr. Huang Bin

Mr. Hung Hoi Ming Raymond

NOMINATION COMMITTEE

Mr. Huang Bin (*Chairman*)

Mr. Hung Hoi Ming Raymond

Mr. Ning Fong

INVESTMENT MANAGER

INV Advisory Limited

Room 1710A, Convention Plaza Office Tower

No. 1 Harbour Road, Wanchai, Hong Kong

CUSTODIAN

DBS Bank Ltd., Hong Kong Branch

18/F, The Center

99 Queen's Road Central

Hong Kong

AUDITORS

Crowe (HK) CPA Limited

9/F., Leighton Centre

77 Leighton Road

Causeway Bay, Hong Kong

PRINCIPAL BANKER

OCBC Wing Hang Bank Limited

161 Queen's Road Central

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 503, 5/F, Greenfield Tower

Concordia Plaza, 1 Science Museum Road

Kowloon, Hong Kong

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:

Chiu & Partners
40/F, Jardine House
1 Connaught Place
Central, Hong Kong

As to Bermuda law:

Conyers Dill & Pearman
29/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

WEBSITE

<https://www.irasia.com/listco/hk/goldstone>

Unaudited Condensed Interim Financial Statements

RESULTS

The board (the “Board”) of directors (the “Directors”) of Goldstone Capital Group Limited (the “Company”) is pleased to announce the unaudited condensed interim results of the Company for the six months ended 30 September 2022 (the “Period”) together with the comparative figures for the corresponding period in 2021. These condensed interim financial statements have not been audited, but have been reviewed by the Company’s audit committee (the “Audit Committee”).

On behalf of the Board

Goldstone Capital Group Limited

Huang Bin

Chairman

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2022

		For the six months ended 30 September	
	<i>NOTE</i>	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
NET INVESTMENT (LOSS)/GAIN	4	(7)	474
OTHER INCOME	5	107	11
GENERAL AND ADMINISTRATIVE EXPENSES		(5,200)	(3,710)
LOSS FROM OPERATIONS		(5,100)	(3,225)
FINANCE COSTS		(6)	(5)
LOSS BEFORE TAXATION	6	(5,106)	(3,230)
INCOME TAX	7	–	–
LOSS FOR THE PERIOD		(5,106)	(3,230)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		–	–
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD		(5,106)	(3,230)
LOSS AND TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD ATTRIBUTABLE TO:			
Equity shareholders of the Company		(5,106)	(3,230)
LOSS PER SHARE (HK Cents)			
– Basic	8	(2.15)	(1.87)
– Diluted	8	(2.15)	(1.87)

The notes on pages 9 to 17 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Financial Position

As at 30 September 2022

	NOTE	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
NON-CURRENT ASSET			
Plant and equipment		2	7
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CURRENT ASSETS			
Financial assets at fair value through profit or loss	10	4,944	–
Deposits, prepayments and other receivables	11	541	453
Cash and cash equivalents	12	28,307	40,091
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TOTAL CURRENT ASSETS		33,792	40,544
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CURRENT LIABILITIES			
Accruals and other payables		2,457	4,113
Loans from a shareholder		4,015	4,010
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TOTAL CURRENT LIABILITIES		6,472	8,123
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NET CURRENT ASSETS		27,320	32,421
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NET ASSETS		27,322	32,428
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CAPITAL AND RESERVES			
Share capital	13	23,727	23,727
Reserves		3,595	8,701
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TOTAL EQUITY		27,322	32,428
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NET ASSET VALUE PER SHARE		HK\$0.12	HK\$0.14

The notes on pages 9 to 17 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 September 2022

	Share capital HK\$'000	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 April 2021 (Audited)	17,280	37,786	(58,289)	(3,223)
Loss and total comprehensive expenses for the period	–	–	(3,230)	(3,230)
Balance at 30 September 2021 (Unaudited)	17,280	37,786	(61,519)	(6,453)
Balance at 1 April 2022 (Audited)	23,727	73,025	(64,324)	32,428
Loss and total comprehensive expenses for the period	–	–	(5,106)	(5,106)
Balance at 30 September 2022 (Unaudited)	23,727	73,025	(69,430)	27,322

The notes on pages 9 to 17 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 September 2022

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(6,875)	(1,064)
NET CASH USED IN INVESTING ACTIVITIES	(4,930)	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	–	448
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(11,805)	(616)
Effect of foreign exchange rate changes	21	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	40,091	1,327
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	28,307	711
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	28,307	711

The notes on pages 9 to 17 form an integral part of these unaudited condensed interim financial statements.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

1. BASIS OF PREPARATION

These unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 29 November 2022.

The unaudited condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2021/22 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022/23 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

These unaudited condensed interim financial statements contain condensed 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 Company since the 2021/22 annual financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The condensed interim financial statements are unaudited, but have been reviewed by the Company’s audit committee.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Company:

- Amendments to HKFRS 3, *Reference to the Conceptual Framework*
- Amendments to HKAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to HKAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to HKFRSs 2018–2020 Cycle

None of these developments have had a material effect on how the Company's results and financial position for the current or prior periods have been prepared or presented in these condensed interim financial statements. The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The Company is principally engaged in investments in listed and unlisted enterprises.

No segment information is presented in respect of the Company's business and geographical segments as all of the income, contribution to operating results, assets and liabilities of the Company are attributable to investment activities, which are carried out or originated principally in Hong Kong.

4. NET INVESTMENT (LOSS)/GAIN

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Net unrealised fair value change of financial assets at fair value through profit or loss	(7)	–
Net realised gain from dissolution of financial asset at fair value through profit or loss	–	474
	(7)	474

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

5. OTHER INCOME

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Bank interest income	4	–
Government subsidies (Note)	65	–
Net exchange gain	38	1
Sundry income	–	10
	107	11

Note: Being the subsidies received/receivable from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme as promulgated by the Government of the Hong Kong Special Administrative Region of the People's Republic of China.

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following:

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Investment manager fee	810	810
Legal and professional fees	720	531
Depreciation charge		
– owned plant and equipment	4	6
– right-of-use asset	–	83
Expenses relating to short-term lease	223	148
Directors' remuneration	740	403
Staff costs (excluding Directors' emoluments)		
– salaries, bonuses and other benefits	1,484	1,098
– mandatory provident fund contributions (Note)	35	14
Interest on loans from a shareholder	6	5

Note: The Company operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Company to reduce the existing level of contribution.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

7. INCOME TAX

No Hong Kong Profits Tax has been provided for in the unaudited condensed financial statements for the six months ended 30 September 2022 and 2021 as the Company has no estimated assessable profits for both periods.

8. LOSS PER SHARE

The calculation of basic loss per ordinary share is based on the unaudited loss attributable to ordinary equity shareholders of the Company of approximately HK\$5,106,000 for the Period (six months ended 30 September 2021: loss of approximately HK\$3,230,000) and the weighted average of 237,271,250 ordinary shares (six months ended 30 September 2021: 172,800,000 ordinary shares) in issue during the Period.

There were no dilutive potential ordinary shares during the six months ended 30 September 2022 and 2021, and therefore, diluted loss per share is the same as the basic loss per share.

9. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (six months ended 30 September 2021: Nil).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Investments (trading and investment security) – at fair value		
Treasury Bills of the United States of America (the “U.S.”) (“U.S. Treasury Bills”)	4,944	–

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Particulars of the investments as at 30 September 2022 were as follows:

Type of investment	Name of issuer	Place of incorporation	Cost HK\$'000	Unrealised		Yield per annum %	Maturity date	Interest received/accrued during the Period HK\$'000	Approximate percentage of gross assets of the Company %
				Market value HK\$'000	(loss)/gain recognised HK\$'000				
U. S. Treasury Bill	The Department of the Treasury of the U.S. ("U.S. Department of the Treasury")	U.S.	1,810.4	1,808.2	(2.2)	2	30 November 2022	-	5.4
U. S. Treasury Bill	U.S. Department of the Treasury	U.S.	1,572.8	1,571.0	(1.8)	2.125	31 December 2022	-	4.6
U. S. Treasury Bill	U.S. Department of the Treasury	U.S.	1,568.4	1,565.2	(3.2)	2.5	31 March 2023	-	4.6

Prospects: In view of the very strong financial position of the U.S. government, U.S. Treasury Bills can provide a steady interest income to investors.

Investment strategy: We consider U.S. Treasury Bills as a lower-risk security. Treasury bills are debt obligations issued by the U.S. Department of the Treasury. Treasury securities are considered one of the safest investments because they are backed by the full faith and credit of the U.S. government. The Company will increase or reduce the holdings on the U.S. Treasury Bills, depending on a number of factors including the investment environment.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Deposits and other receivables	142	142
Prepayments	399	311
	541	453

12. CASH AND CASH EQUIVALENTS

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Cash at banks and on hand	28,307	40,091

13. SHARE CAPITAL

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Authorised:		
1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
Issued and fully paid:		
237,271,250 ordinary shares of HK\$0.10 each	23,727	23,727

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

At 30 September 2022, the financial instruments of the Company carried at fair value were U.S. Treasury Bills of approximately HK\$4,944,000. The instruments were measured at fair value on a recurring basis and their fair value measurement fall into Level 1 of the fair value hierarchy described above.

During the six months ended 30 September 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 September 2021: Nil). The Company's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Company's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 September 2022 and 31 March 2022.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

15. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these unaudited condensed interim financial statements, particulars of significant transactions between the Company and its related parties during the six months ended 30 September 2022 are as follows:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Company, including amounts paid to the Directors during the six months ended 30 September 2022:

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Short-term employee benefits	1,335	998
Retirement scheme contributions	5	5
	1,340	1,003

(b) Financing arrangements

At 30 September 2022, the Company had the following balances with related parties:

	Note	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Amount due to Mr. Yip Hoi Chung	(i)	–	359
Investment management fee payable to INV Advisory Limited	(ii)	1,350	1,350
Loans from a shareholder	(iii)	4,015	4,010

Notes:

- (i) As at 31 March 2022, the outstanding balance due to Mr. Yip Hoi Chung, the former Director, was unsecured, interest-free, repayable on demand. As at 30 September 2022, the balance is fully settled.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022

15. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Financing arrangements (continued)

Notes: (continued)

- (ii) Investment management agreement with INV Advisory Limited is set out note (c) below.
- (iii) The loans from a shareholder were unsecured and repayable on 31 December 2022. As at 30 September 2022, included in loans from the shareholder was principal amount of HK\$2,500,000 (31 March 2022: HK\$2,500,000), which carries interest at Hong Kong Interbank Offered Rate for the interest period of 12 months, and the remaining balances are interest-free.

(c) Transactions with related parties

The Company entered into the following material related party transactions during the six months ended 30 September 2022:

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest expenses charged by a shareholder	6	5
Investment management fee charged by INV Advisory Limited (see note below)	810	810

On 29 May 2020, the Company entered into an investment management agreement with INV Advisory Limited, of which Ms. Chan Mei Yan, an executive Director, is also its director. Pursuant to the investment management agreement, INV Advisory Limited has agreed to provide non-discretionary investment management services to the Company at an investment management fee of HK\$1,620,000 per annum for a period of three years commencing from 1 June 2020.

16. APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

These unaudited condensed interim financial statements were approved by the Board on 29 November 2022.

Management Discussion and Analysis

INTERIM RESULTS

During the Period, the Company recorded a loss of approximately HK\$5,106,000 (six months ended 30 September 2021: loss of approximately HK\$3,230,000), representing an increase in the loss for the Period of approximately HK\$1,876,000 as compared with the six months ended 30 September 2021 (the “Corresponding Period”) mainly due to the recognition of net investment loss during the Period and the increase in general and administrative expenses for the Period. Unrealised net investment loss of approximately HK\$7,000 was recognised for the Period while a net investment gain of approximately HK\$474,000 was recognised for the Corresponding Period. General and administrative expenses for the Period amounted to approximately HK\$5,200,000, representing an increase by approximately HK\$1,490,000 as compared with that for the Corresponding Period mainly due to higher legal and professional fees, Directors’ remuneration and staff costs.

BUSINESS REVIEW AND PROSPECTS

According to the statistics published by the Government of Hong Kong, Hong Kong showed a further contraction of economy in the third quarter of 2022 under the impact of COVID-19. Real gross domestic product (“GDP”) dropped by 4.5% on a year-on-year basis, further to a 1.3% decline in the second quarter of 2022. Despite the implementation of the relaxation of COVID-19 testing and compulsory quarantine arrangements as well as the disbursement of consumption vouchers to support private consumption, the worsened external environment and the tightened financial conditions resulting from the sharp interest rate hikes by the major central banks continued to pose immense pressure on Hong Kong’s economic performance.

Following the trend of interest rate hikes in the U.S., Hong Kong experienced the tightening of financial conditions, resulting in massive challenges to business sectors across the region. The weak economic outlook and high borrowing costs caused corrections in asset prices. The Hang Seng Index has recorded a loss of more than 25% since the end of second quarter of 2022. The property market also showed a large number of transactions with nominal losses due to inadequate demand and gloomy sector outlook.

While Hong Kong Dollar is pegged to US Dollar, the recovery of Hong Kong’s economy would to a certain extent depend on the interest rate of the region and the U.S.. Pursuant to a speech made by the Chair of the Federal Reserve of the U.S. in July 2022, it is expected that the U.S. will be likely to keep raising the interest rates for prudent inflation control. Nonetheless, pursuant to the U.S. Federal Reserve’s announcement on its interest rate policies in September 2022, interest rates may possibly at peak by mid 2023. In the view of this, we anticipate that recovery of Hong Kong’s economy may come by the end of the trend of the increase in interest rate, which is, prudently expected to be at the beginning of the third quarter of 2023.

Management Discussion and Analysis

Under the high interest rate environment, the Company has been investing cautiously during the Period. In September 2022, we entered into several short-term U.S. Treasury positions for the purposes of earning lower risk returns for the Company. Going forward, we shall examine vigilantly on the market situation of Hong Kong and the U.S. and make necessary adjustment and alternation to the investment strategies as and when appropriate.

SIGNIFICANT INVESTMENTS HELD

A brief description of the business or financial information of the investments of the Company is as follows:

Type of investment	Name of issuer	Place of incorporation	Cost HK\$'000	Unrealised		Yield per annum %	Maturity date	Interest received/ accrued during the Period HK\$'000	Approximate percentage of gross assets of the Company %
				Market value HK\$'000	(loss)/gain recognised HK\$'000				
U. S. Treasury Bill	U.S. Department of the Treasury	U.S.	1,810.4	1,808.2	(2.2)	2	30 November 2022	-	5.4
U. S. Treasury Bill	U.S. Department of the Treasury	U.S.	1,572.8	1,571.0	(1.8)	2.125	31 December 2022	-	4.6
U. S. Treasury Bill	U.S. Department of the Treasury	U.S.	1,568.4	1,565.2	(3.2)	2.5	31 March 2023	-	4.6

Prospects: In view of the very strong financial position of the U.S. government, U.S. Treasury Bills can provide a steady interest income to investors.

Investment strategy: We consider U.S. Treasury Bills as a lower-risk security. Treasury bills are debt obligations issued by the U.S. Department of the Treasury. Treasury securities are considered one of the safest investments because they are backed by the full faith and credit of the U.S. government. The Company will increase or reduce the holdings on the U.S. Treasury Bills, depending on a number of factors including the investment environment.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not have any acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

Management Discussion and Analysis

LOANS FROM A CONTROLLING SHAREHOLDER

In October and November 2020, the Company entered into two loan agreements with Renown Future Limited (“Renown Future”), a controlling shareholder of the Company (the “Shareholder”), pursuant to which Renown Future agreed to provide two loans to the Company in the principal amount of up to HK\$2,500,000 and HK\$10,000,000 respectively. The loans did not bear interest and were repayable within one year. As at 31 March 2021, HK\$3,500,000 has been drawn and used as working capital of the Company and the Company has unutilised loan amount of HK\$9,000,000 under the loan agreements with Renown Future.

In April and June 2021, the Company entered into loan extension agreements with Renown Future to extend the maturity dates of these loans to 31 December 2022. The drawdown period of the HK\$9,000,000 unutilised amount of the second loan has also been extended to 31 December 2022. The first loan of principal amount of HK\$2,500,000 shall carry interest at Hong Kong Interbank Offered Rate for the interest period of 12 months after the extension of the loan maturity with effect from 29 April 2021. As at 30 September 2022, loans from Renown Future amounted to approximately HK\$4,015,000 which comprised the principal amount of loans drawn of HK\$4,000,000 and accrued interest of approximately HK\$15,000. Save as disclosed above, the other terms and conditions of the loan agreements remained unchanged.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2022, the Company had cash and bank balances of approximately HK\$28,307,000 (31 March 2022: approximately HK\$40,091,000). The Company had loans from a controlling Shareholder of approximately HK\$4,015,000 (comprised the principal amount of loans drawn of HK\$4,000,000 and accrued interest of approximately HK\$15,000) as at 30 September 2022 (31 March 2022: approximately HK\$4,010,000) which were repayable on 31 December 2022. Details of the loans from a controlling Shareholder are disclosed in the section headed “Loans from a Controlling Shareholder” above. The gearing ratio of the Company as at 30 September 2022 was approximately 0.1 (31 March 2022: approximately 0.1), which was calculated based on the Company’s total borrowings to total assets.

Completion of a rights issue of a total of 64,471,250 rights shares with net proceeds of approximately HK\$41.7 million

On 6 January 2022, the Board proposed a rights issue (the “Rights Issue”) on the basis of one rights share of the Company for every two existing ordinary shares of the Company (the “Shares”, each a “Share”) held on 26 January 2022 at a subscription price (the “Subscription Price”) of HK\$0.68 each, by way of Rights Issue which was completed on 28 March 2022. The closing price of the Share was HK\$1.70 per Share on 6 January 2022, being the date on which the Rights Issue was announced.

Management Discussion and Analysis

The Company was of the view that the Rights Issue would enable the Company to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs in contrary to other fund-raising alternatives available to the Company.

On 6 January 2022, the Company also entered into a placing agreement with Gransing Securities Co., Limited (the “Placing Agent”), pursuant to which the Placing Agent has conditionally agreed to procure placee(s) (the “Placee(s)”), on a best effort basis, to subscribe for the rights Shares that are not subscribed by the qualifying Shareholders of the Company (the “Qualifying Shareholders”) under the Rights Issue (the “Unsubscribed Rights Shares”) and the rights Share(s) which would otherwise has/have been provisionally allotted to the excluded Shareholder(s) (the Shareholder(s) with registered address(es) outside Hong Kong which was/were not offered the rights Shares) in nil-paid form that has/have not been sold by the Company (the “ES Unsold Rights Shares”).

As disclosed in the announcement of the Company dated 28 March 2022, the Company received a total of 14 valid acceptances and applications under the provisional allotment letters in respect of a total of 1,971,250 rights Shares, representing approximately 2.28% of the total number of rights Shares available for subscription under the Rights Issue. As at 5:00 p.m. on Friday, 25 March 2022, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 62,500,000 Unsubscribed Rights Shares, representing approximately 26.34% of the issued Shares immediately upon completion of the Rights Issue, were successfully placed at the placing price of HK\$0.68 per Share, representing nil premium over the Subscription Price, to the independent Placees.

Accordingly, the gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue (including the Placing) are approximately HK\$43.8 million and approximately HK\$41.7 million, respectively. On this basis, the net price per rights Share is approximately HK\$0.647 per Share.

On 29 March 2022, 64,471,250 Shares with an aggregate nominal value of HK\$6,447,125 were issued pursuant to the Rights Issue.

Please refer to the prospectus of the Company dated 24 February 2022 (the “Prospectus”) and the announcements of the Company dated 6 January 2022, 17 March 2022 and 28 March 2022 for the details of the Rights Issue.

Management Discussion and Analysis

The intended and actual use of proceeds from the Rights Issue up to 30 September 2022 is set out as follows:

Business objectives as stated in the Prospectus	Intended	Remaining		Remaining	Expected	
	use of net	Actual amount	unutilised	unutilised		balance as at
	proceeds	utilised up to	balance as at	utilised during	30 September	timeline for the
	from the	31 March 2022	31 March 2022	the Period	2022	unutilised net
	Rights Issue	31 March 2022	31 March 2022	the Period	2022	proceeds
	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	
Repayment in full of a loan and related interests from a licensed money lender	5.1	5.1	-	-	-	N/A
Future investments and business development pursuant to the investment objectives of the Company	27.2	-	27.2	4.9	22.3	by 31 March 2023
General working capital of the Company	9.4	0.3	9.1	6.5	2.6	by 31 March 2023
	41.7	5.4	36.3	11.4	24.9	

The unutilised net proceeds from the Rights Issue as at 30 September 2022, being approximately HK\$24.9 million, were deposited with the licensed banks in Hong Kong.

As at the date of this unaudited condensed interim report, the Board has no intention to change the planned use of the net proceeds as disclosed in the Prospectus and above. The expected timeline for using the unutilised net proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) and/or disclosure in the Company's annual report(s) in respect of change in timeline, if any, will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate to update its Shareholders and potential investors.

CHARGES ON COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2022, there was no charge on the Company's assets or any significant contingent liabilities (31 March 2022: Nil).

Management Discussion and Analysis

CAPITAL EXPENDITURES

The Company did not make any significant capital expenditure during the Period (six months ended 30 September 2021: Nil).

COMMITMENTS

The Company had no capital commitment as at 30 September 2022 (31 March 2022: Nil).

CAPITAL STRUCTURE

The capital structure of the Company is comprised of equity and debt. As at 30 September 2022, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 237,271,250 (31 March 2022: 237,271,250).

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (six months ended 30 September 2021: Nil).

PURCHASE, SALE OR REDEMPTION OF OWN SHARES

During the Period, the Company did not purchase, sell or redeem any of its shares (six months ended 30 September 2021: Nil).

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Company had not executed any agreement in respect of material investment or capital asset during the Period and did not have any other plans relating to material investment or capital asset as at 30 September 2022. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the Shareholders as a whole. The potential investment opportunities will be funded by internal resources, including the proceeds from the Rights Issue.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company held assets and liabilities denominated in Hong Kong Dollars (“HKD”) and US Dollars (“USD”). The Company’s cash and cash equivalents were denominated in HKD and USD. Accordingly, it is subjected to limited exposure of foreign exchange fluctuation. As it is the Company’s policy to maintain relatively minimal exposure to foreign exchange risks, the Company had not used any derivatives and other instruments for currency exchange hedging purposes.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Company had 6 employees (31 March 2022: 5), including the executive Director. The remuneration paid to the employees of the Company, including the executive Director, during the Period amounted to approximately HK\$1,614,000 (six months ended 30 September 2021: approximately HK\$1,207,000).

The Company's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of the individual employees.

DIRECTORS' RIGHT TO ACQUIRE SHARES AND DEBENTURES

At no time during the Period was the Company or its associated companies a party to any arrangements to enable the Directors or chief executive of the Company to acquire any interests or benefits by means of acquisition of shares, underlying shares in or debentures of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2022, as far as the Directors are aware, the Directors, chief executive and their associates had the following interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, ("SFO")) that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules:

Directors' and/or chief executives' interests in the shares of associated corporations

Name of associated corporation	Name of chief executive	Capacity	Long/short position	Number of ordinary shares in the associated corporation	Approximate percentage of the issued share capital in the associated corporation
Renown Future Limited	Wang Biao	Beneficial owner	Long position	1	20%

Management Discussion and Analysis

Other than as disclosed above, none of the Directors, chief executive nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of the SFO as at 30 September 2022.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2022, as far as the Directors are aware, the Company had been notified of the following substantial Shareholders' interests or short positions in the shares and underlying shares in the Company (representing 5% or more of the Company's issued share capital) which were recorded in the register maintained by the Company under Section 336 of the SFO:

	Name of substantial Shareholder	Capacity	Long/short position	Number of shares	Approximate percentage of existing shareholding <i>(Note 2)</i>
1.	Renown Future Limited	Beneficial owner	Long position	88,129,080	37.14%
2.	Treasure Isle Global Limited	Beneficial owner	Long position	25,954,878 <i>(Note 1)</i>	10.94%
3.	Li Bohan ("Mr. Li")	Interest of a controlled corporation	Long position	25,954,878 <i>(Note 1)</i>	10.94%
4.	Zhang Jianming ("Mr. Zhang")	Interest of a controlled corporation	Long position	25,954,878 <i>(Note 1)</i>	10.94%

Notes:

1. Treasure Isle Global Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 50% by Mr. Li and 50% by Mr. Zhang. Each of Mr. Li and Mr. Zhang is deemed to be interested in the 25,954,878 Shares held by Treasure Isle Global Limited under Part XV of the SFO.
2. The percentage of shareholding is calculated on the basis of 237,271,250 shares in the Company in issue as at 30 September 2022.

Management Discussion and Analysis

Save as disclosed above, as far as the Directors are aware, the Company had not been notified by any other persons, and none of the other Directors or chief executive (if any) of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 30 September 2022.

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and the Shareholders. The Company has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company’s code of corporate governance practices. During the Period, the Company has complied with the code provisions under the CG Code.

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”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors, the Directors confirmed that they had complied with the required standards laid down in the Model Code throughout the Period.

CHANGE OF COMPANY NAME

Subsequent to the passing of the special resolution approving the Change of Company Name by the Shareholders at the special general meeting held on 28 June 2022 and the Certificate of Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 4 July 2022, the English name of the Company has been changed from “Youth Champ Financial Group Holdings Limited” to “Goldstone Capital Group Limited” and “金石資本集團有限公司” has been adopted as the secondary name of the Company to replace “優創金融集團控股有限公司”. On 5 August 2022, the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong, confirming the registration of the new name of the Company in Hong Kong under Part XVI of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The stock short names of the Company have also been changed from “YOUTH CHAMP” in English and “優創金融” in Chinese to “GOLDSTONE CAP” in English and “金石資本集團” in Chinese with effect from 9:00 a.m. on 19 August 2022.

Management Discussion and Analysis

The new website of the Company (<https://www.irasia.com/listco/hk/goldstone>) has been launched on 19 August 2022. For details, please refer to the announcements of the Company dated 25 May 2022, 28 June 2022 and 16 August 2022, and the circular of the Company dated 6 June 2022.

CHANGES IN DIRECTORS AND OF IMPORTANT EXECUTIVE FUNCTIONS AND RESPONSIBILITIES OF MEMBERS OF THE BOARD DURING THE PERIOD

With effect from 1 April 2022, (i) Ms. Guo Yanchun was appointed as a non-executive Director; (ii) Mr. Chen Huaiyuan was appointed as a non-executive Director; and (iii) Mr. Lam King was appointed as an independent non-executive Director and a member of each of the Audit Committee, the nomination committee of the Company (the “Nomination Committee”) and the remuneration committee of the Company (the “Remuneration Committee”). For details, please refer to the announcement of the Company dated 1 April 2022.

With effect from 1 August 2022, (i) Mr. Lam King, an independent non-executive Director, was re-designated from an independent non-executive Director to a non-executive Director and ceased to be a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee; and (ii) Mr. Hung Hoi Ming Raymond was appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. For details, please refer to the announcement of the Company dated 1 August 2022.

With effect from 1 September 2022, Mr. Yip Hoi Chung resigned as a non-executive Director, the vice chairman of the Board, and a member of each of the Nomination Committee, the Audit Committee and the Remuneration Committee. For details, please refer to the announcement of the Company dated 1 September 2022.

EVENTS AFTER THE PERIOD

With effect from 11 October 2022, (i) Mr. Lee Hung Yuen resigned as a non-executive Director; (ii) Mr. Xu Yanfa resigned as an independent non-executive Director, the chairman of the Board (the “Chairman”), the chairman of the Nomination Committee, and a member of each of the Audit Committee and the Remuneration Committee; (iii) Ms. Yan Yan resigned as an independent non-executive Director, the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee; (iv) Mr. Huang Bin was appointed as a non-executive Director, the Chairman, the chairman of the Nomination Committee, and a member of the Remuneration Committee; (v) Mr. Ning Fong was appointed as an independent non-executive Director, the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee; and (vi) Ms. Ma Yin Fan ceased to be a member of each of the Nomination Committee and the Remuneration Committee. For details, please refer to the announcement of the Company dated 11 October 2022.

Management Discussion and Analysis

With effect from 1 December 2022, (i) Ms. Guo Yanchun resigned as a non-executive Director; and (ii) Mr. Xu Lin has been appointed as a non-executive Director.

On 1 December 2022, the Board received a resignation letter dated 1 December 2022 from Ms. Ma Yin Fan that she intended to resign as an independent non-executive Director and the chairman of the Audit Committee with effect from 31 December 2022. Subsequent to the resignation of Ms. Ma Yin Fan which will take effect from 31 December 2022, Ms. Wan Yuk Ling will be appointed as an independent non-executive Director and the chairman of the Audit Committee with effect from 31 December 2022. For details, please refer to the announcement of the Company dated 1 December 2022.

Save as disclosed, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 September 2022 and up to the date of this unaudited condensed interim report.

AUDIT COMMITTEE

The Audit Committee, comprising three independent non-executive Directors, namely Ms. Ma Yin Fan (chairman of the Audit Committee), Mr. Hung Hoi Ming Raymond and Mr. Ning Fong, had reviewed with the management of the Company the accounting principles and practices adopted by the Company and discussed the auditing, internal control, risk management and financial reporting matters, including a review of the Company's unaudited condensed interim financial statements for the Period.

SHARE OPTION SCHEME

The Company did not maintain any share option scheme during the Period.

By order of the Board

Huang Bin

Chairman

Hong Kong, 29 November 2022