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NIMBLE HOLDINGS COMPANY LIMITED

敏捷控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 186)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

FINANCIAL HIGHLIGHTS

	(Unaudited)	
	Six months ended	
	30 September	30 September
	2018	2017
	<i>HK\$ million</i>	<i>HK\$ million</i>
OPERATING RESULTS:		
Revenue	50	81
Profit for the period attributable to the shareholders of the Company	<u>32</u>	<u>48</u>
PER SHARE DATA:		
	<i>HK cents</i>	<i>HK cents</i>
Basic earnings per share	0.58	0.87
Diluted earnings per share	<u>0.58</u>	<u>0.87</u>

INTERIM RESULTS

The board of directors (the “Board”) of Nimble Holdings Company Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2018 (the “Period”), together with the comparative figures for the six months ended 30 September 2017 (the “Corresponding Period”) and selected explanatory notes, are stated as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

(Unaudited)			
Six months ended			
		30 September 2018	30 September 2017
	Notes	HK\$ million	HK\$ million
REVENUE	6	50	81
Cost of sales		(29)	(42)
Gross profit		21	39
Other income		30	2
Distribution costs		(2)	(2)
Administrative expenses		(35)	(39)
Change in fair value of financial assets at FVPL		(1)	–
Write back of accrued liabilities with deconsolidated subsidiaries		–	44
Other expenses		–	(2)
PROFIT BEFORE TAXATION	7	13	42
Income tax credit	8	17	1
PROFIT FOR THE PERIOD		30	43
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the Company		32	48
Non-controlling interests		(2)	(5)
		30	43
EARNINGS PER SHARE	9	HK cents	HK cents
Basic		0.58	0.87
Diluted		0.58	0.87

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)	
	Six months ended	
	30 September	30 September
	2018	2017
Notes	HK\$ million	HK\$ million
PROFIT FOR THE PERIOD	<u>30</u>	<u>43</u>
OTHER COMPREHENSIVE (LOSS)/INCOME, NET OF TAX:		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>(1)</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>29</u></u>	<u><u>46</u></u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
Shareholders of the Company	31	50
Non-controlling interests	<u>(2)</u>	<u>(4)</u>
	<u><u>29</u></u>	<u><u>46</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) As at 30 September 2018 <i>Notes</i> HK\$ million	(Audited) As at 31 March 2018 <i>HK\$ million</i>
NON-CURRENT ASSETS			
Deferred tax assets		3	4
Brands and trademarks	10	259	260
Available-for-sale investments		–	–
Financial assets at FVPL		7	–
Other assets		2	1
		<u>271</u>	<u>265</u>
CURRENT ASSETS			
Inventories		25	25
Accounts and bills receivable	11	8	18
Prepayments, deposits and other receivables		15	6
Tax recoverable		1	2
Cash and bank balances		435	446
		<u>484</u>	<u>497</u>
CURRENT LIABILITIES			
Accounts and bills payable	12	1	1
Accrued liabilities and other payables	13	27	71
Accrued liabilities with deconsolidated subsidiaries		127	127
Tax liabilities		11	25
		<u>166</u>	<u>224</u>

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2018	2018
<i>Notes</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
NET CURRENT ASSETS	<u>318</u>	<u>273</u>
NON-CURRENT LIABILITIES		
Tax liabilities	<u>20</u>	<u>22</u>
NET ASSETS	<u>569</u>	<u>516</u>
CAPITAL AND RESERVES		
Share capital	55	55
Share premium	386	386
Reserves	<u>44</u>	<u>(17)</u>
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY	485	424
NON-CONTROLLING INTERESTS	<u>84</u>	<u>92</u>
TOTAL EQUITY	<u>569</u>	<u>516</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2018

1. GENERAL

The Company was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda. The address of its registered office is Wessex House, 5th Floor, 45 Reid Street, Hamilton HM12, Bermuda. The principal place of business is Unit C01, 32th Floor, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The shares of the Company (the “Shares”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company’s immediate holding company is Wealth Warrior Global Limited (“Wealth Warrior”), a company incorporated in the British Virgin Islands. The sole legal and beneficial owner and the sole director of Wealth Warrior is Mr. Tan Bingzhao (“Mr. Tan”). As such, the ultimate beneficial owner of the Company is Mr. Tan.

The Company is an investment holding company. The principal activities of the Company’s major subsidiaries are holding and licensing of brands and trademarks on a world-wide basis, and distribution of houseware products and audio products in the United States of America (the “USA”).

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars, the functional currency of the Company, and all values are rounded to the nearest million (HK\$ million) unless otherwise stated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s most recent annual consolidated financial statements for the year ended 31 March 2018, except for the adoption of new accounting policies as a result of the adoption of the new and amended HKFRSs as set out in note 3.

3. CHANGES IN ACCOUNTING POLICIES

(a) Overviews

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's condensed consolidated interim financial statements:

- HKFRS 9, Financial instruments
- HKFRS 15, Revenue from contracts with customers

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by HKFRS 15 in relation to timing of revenue recognition. Details of the changes in accounting policies are discussed in note 3(b) for HKFRS 9 and note 3(c) for HKFRS 15.

Under the transition methods chosen, the Group recognises cumulative effect of the initial application of HKFRS 9 and HKFRS 15 as an adjustment to the opening balance of equity at 1 April 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the condensed consolidated statement of financial position that has been impacted by HKFRS 9 and HKFRS 15:

	At 31 March 2018 <i>HK\$ Million</i> (audited)	Impact of initial application of HKFRS 9 <i>HK\$ Million</i> (unaudited) (note3(b))	Impact of initial application of HKFRS 15 <i>HK\$ Million</i> (unaudited) (note3(c))	At 1 April 2018 <i>HK\$ Million</i> (unaudited)
Available-for-sale investments	–	–	–	–
Financial assets at FVPL	–	8	–	8
Total non-current assets	265	8	–	273
Accounts and bills receivables	18	–	(2)	16
Total current assets	497	–	(2)	495
Accrued liabilities and other payables	71	–	(26)	45
Tax liabilities	25	–	3	28
Total current liabilities	224	–	(23)	201
Net current assets	273	–	21	294
Total assets less current liabilities	538	8	21	567
Net assets	516	8	21	545
Reserves	(17)	8	20	11
Equity attributable to				
the shareholders of the Company	424	8	20	452
Non-controlling interests	92	–	1	93
Total equity	516	8	21	545

Further details of these changes are set out in sub-sections (b) and (c) of this note.

(b) HKFRS 9, Financial instruments

HKFRS 9 replaces HKAS 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 April 2018. Therefore, comparative information continues to be reported under HKAS 39.

The following table summarises the impact of transition to HKFRS 9 on accumulated deficits at 1 April 2018.

	<i>HK\$ million</i> (unaudited)
Accumulated deficits	
Recognition of additional fair value relating to unlisted equity securities now measured at FVPL	<u>8</u>
Net decrease in accumulated deficits at 1 April 2018	<u><u>8</u></u>

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“FVOCI”) and at fair value through profit or loss (“FVPL”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

	HKAS 39 carrying amount at 31 March 2018 HK\$ million (audited)	Reclassification HK\$ million (unaudited)	Remeasurement HK\$ million (unaudited)	HKFRS 9 carrying amount at 1 April 2018 HK\$ million (unaudited)
Financial assets carried at amortised cost				
Accounts and bills receivable (<i>Note (a)</i>)	18	–	(2)	16
Financial assets at FVPL				
Unlisted equity securities (<i>Note (b)</i>)	–	–	8	8
Financial assets classified as available-for-sale investment under HKAS 39				
Unlisted equity securities (<i>Note (b)</i>)	–	–	–	–

Note (a)

Accounts and bills receivable of HK\$2 million were reclassified to accumulated deficits at 1 April 2018 as a result of the adoption of HKFRS 15. The timing of revenue recognition under HKFRS 15 in respect of licensing income as set out in note 3(c) is different to that of HKAS 18.

Note (b)

Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as at FVPL under HKFRS 9, unless they are eligible for and designated at FVOCI by the Group. As at 1 April 2018, the Group has not designated its unlisted investments at FVOCI, hence these investments are classified as FVPL.

In the opinion of the directors of the Company (the “Directors”), the carrying amount of the unlisted equity securities, which was previously measured at cost less impairment under HKAS 39, was fully impaired as at 31 March 2018.

(ii) Expected credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit losses” (“ECLs”) model. The ECLs model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECLs model to the financial assets measured at amortised cost (including other non-current assets, cash and bank balances, accounts and bills receivable, and deposit and other receivables).

Financial assets measured at fair value, including unlisted equity securities measured at FVPL are not subject to the ECLs assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the Group expects to receive).

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions. ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts and bills receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial assets, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Group has quantified that no material ECLs should be recognised in the opening balance at 1 April 2018.

(c) **HKFRS 15, Revenue from contracts with customers**

Effect of the application of HKFRS 15

(i) *Sales of goods*

Upon the adoption of HKFRS 15, revenue will be recognised at the point in time when control of asset is transferred to the customer, generally on delivery of the goods. The Group has assessed the effects of applying the new standard and has not identified any significant impact to the Group.

(ii) *Licensing income*

The Group has entered into a number of agreements with individual licensees (“Licensees”) under which the Group grants the Licensees rights to use the Group’s intellectual properties (being the brands which produce electronic products ranging from audio-visual equipment to household appliances). In return, the Group is entitled to minimum annual payments, which generally are paid by Licensees before the commencement of the annual license periods.

HKFRS 15 requires an entity to determine whether an entity’s promise to grant a license is a right to access the entity’s intellectual property (with consideration being recognised as revenue over time) or a right to use the entity’s intellectual property (with consideration being recognised as revenue at a particular point in time). Based on the specific requirements under HKFRS 15, an entity’s promise to grant a license is a right to access the entity’s intellectual property when all of the following criteria are met:

- (a) the contract requires, or the customer reasonably expects, that the entity will undertake activities that significantly affect the intellectual property to which the customer has rights;
- (b) the rights granted by the licence directly expose the customer to any positive or negative effects of the entity’s activities identified in (a) above; and
- (c) those activities do not result in the transfer of a good or a service to the customer as those activities occur.

Having assessed the terms of the related agreements and the specific facts and circumstances, the Directors concluded that not all of the abovementioned criteria are satisfied and hence the Directors concluded that the minimum annual payments should be recognised at a particular point in time (being the commencement of each annual license period). However, under HKAS 18, the minimum annual payment was recognised as revenue on a straight line basis.

The following tables summarise the impacts of the application of HKFRS 15 on the Group's condensed consolidated statement of financial position as at 30 September 2018 and the Group's condensed consolidated income statement and condensed consolidated statement of comprehensive income for the six months ended 30 September 2018.

	Amounts reported under HKFRS 15 <i>HK\$ million</i>	Hypothetical amounts under HKAS 18 <i>HK\$ million</i>	Difference: Estimated impact of adoption of HKFRS 15 for the Period <i>HK\$ million</i>
Line items in the condensed consolidated income statement for the six months ended 30 September 2018 impacted by the adoption of HKFRS 15:			
Revenue	50	63	(13)
Income tax credit	17	15	2
Profit for the Period attributable to:			
Shareholders of the Company	32	43	(11)
Non-controlling interests	(2)	(2)	–
Earnings per share			
Basic (<i>HK cents</i>)	0.58	0.78	(0.2)
Diluted (<i>HK cents</i>)	0.58	0.78	(0.2)
Line items in the condensed consolidated statement of comprehensive income for the six months ended 30 September 2018 impacted by the adoption of HKFRS 15:			
Total comprehensive income for the Period	29	40	(11)
Total comprehensive income for the Period attributable to:			
Shareholders of the Company	31	42	(11)
Non-controlling interests	(2)	(2)	–
Line items in the condensed consolidated statement of financial position as at 30 September 2018 impacted by the adoption of HKFRS 15:			
Accounts and bills receivable	8	9	(1)
Accrued liabilities and other payables	27	39	(12)
Tax liabilities	11	13	(2)
Reserves	44	35	9
Equity attributable to the shareholders of the Company	485	476	9
Non-controlling interests	84	84	–

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the unaudited condensed consolidated interim financial statements, the critical accounting judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that were applied to the audited consolidated financial statements for the year ended 31 March 2018, except for the estimation in relation to the fair value of the financial assets at FVPL under HKFRS 9.

5. SEGMENT INFORMATION

The Group currently organises its operations into the following reportable and operating segments.

Operating segments	Principal activities
Emerson	Distribution of houseware products and audio products and licensing business – Comprising a group listed on the NYSE American of the USA
Licensing	Licensing business on a worldwide basis – Comprising the brands and trademarks of Akai, Sansui and Nakamichi

(a) **Unaudited revenue and results of the Group by operating segments:**

For the six months ended 30 September 2018

	Emerson HK\$ million	Licensing HK\$ million	Unallocated HK\$ million	Consolidated HK\$ million
Revenue:				
Sale of goods to external customers	36	–	–	36
Licensing income from external customers	<u>1</u>	<u>13</u>	<u>–</u>	<u>14</u>
Total segment revenue	<u><u>37</u></u>	<u><u>13</u></u>	<u><u>–</u></u>	<u><u>50</u></u>
Results:				
Segment results	<u><u>(12)</u></u>	<u><u>6</u></u>		(6)
Reconciliations:				
Unallocated corporate expenses			(10)	(10)
Change in fair value of financial assets at FVPL			(1)	(1)
Write back of accrued liabilities			27	27
Interest income			3	<u>3</u>
Profit before taxation				<u><u>13</u></u>

For the six months ended 30 September 2017

	Emerson HK\$ million	Licensing HK\$ million	Unallocated HK\$ million	Consolidated HK\$ million
Revenue:				
Sale of goods to external customers	51	–	–	51
Licensing income from external customers	<u>3</u>	<u>27</u>	<u>–</u>	<u>30</u>
Total segment revenue	<u><u>54</u></u>	<u><u>27</u></u>	<u><u>–</u></u>	<u><u>81</u></u>
Results:				
Segment results	<u><u>(17)</u></u>	<u><u>19</u></u>		2
Reconciliations:				
Unallocated corporate expenses			(6)	(6)
Write back of accrued liabilities with deconsolidated subsidiaries			44	44
Interest income			2	<u>2</u>
Profit before taxation				<u><u>42</u></u>

(b) **Geographical segments:**

	(Unaudited)	
	Six months ended	
	30 September	30 September
	2018	2017
	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue:		
Asia	11	21
North America		
– USA and Canada	36	56
Europe	3	4
Total	50	81

6. REVENUE

Revenue represents the net invoiced value of goods sold after allowances for returns and trade discounts, and licensing income from the Group's brands and trademarks, but excludes intra-group transactions.

An analysis of the Group's revenue by principal activity for the Period, as well as the manner in which revenue is recognised, is as follows:

	(Unaudited)	
	Six months ended	
	30 September	30 September
	2018	2017
	<i>HK\$ million</i>	<i>HK\$ million</i>
By principal activities:		
Sales of goods – point in time	36	51
Licensing income		
– point in time	14	–
– over time	–	30
	50	81

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

		(Unaudited)	
		Six months ended	
		30 September	30 September
		2018	2017
	Note	HK\$ million	HK\$ million
(a) Staff costs			
Directors' and Chief Executive Officer's emoluments		6	5
Other staff costs:			
– Salaries and other benefits		13	14
– Retirement benefits costs		1	2
		<u>20</u>	<u>21</u>
(b) Other items			
Operating lease rentals in respect of land and buildings		3	3
Auditor's remuneration – current period		1	1
Carrying amount of inventories sold		29	42
Change in fair value of financial assets at FVPL		(1)	–
Write back of accrued liabilities	13(i)	(27)	–
Interest income		(3)	(2)

8. INCOME TAX CREDIT

No Hong Kong profits tax has been provided for the Period in the unaudited condensed consolidated interim financial statements as there is no assessable profits arising in Hong Kong during both periods ended 30 September 2018 and 2017.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	(Unaudited)	
	Six months ended	
	30 September	30 September
	2018	2017
	HK\$ million	HK\$ million
The tax credit comprises:		
Current tax – Overseas	1	6
Over/(Under) provision in prior period – Overseas (<i>Note (i)</i>)	17	(4)
Deferred tax – Overseas	(1)	(1)
	<u>17</u>	<u>1</u>

Note (i)

The write back of over-provision amounting to HK\$17 million during the Period was mainly attributable to the strike-off of SSPL, details of which are set out in note 13(i).

9. EARNINGS PER SHARE

(a) Basic earnings per share:

The calculation of basic earnings per share is based on the following data:

	(Unaudited)	
	Six months ended	
	30 September	30 September
	2018	2017
	HK\$ million	HK\$ million
Profit:		
Profit attributable to shareholders of the Company used in the basic earnings per share calculation	<u>32</u>	<u>48</u>

	30 September 2018	30 September 2017
	Number of ordinary shares million	Number of ordinary shares million

Shares:

Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	5,492.2	5,492.2
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(b) Diluted earnings per share:

Diluted earnings per share equals basic earnings per share as the Company has no potential ordinary shares in existence during both periods ended 30 September 2018 and 2017.

10. BRANDS AND TRADEMARKS

	(Unaudited) 30 September 2018 HK\$ million	(Audited) 31 March 2018 HK\$ million
Gross amount		
At 1 April	2,026	2,006
Foreign currency adjustment	(4)	20
At 30 September/31 March	2,022	2,026
Accumulated amortisation and impairment		
At 1 April	1,766	1,707
Foreign currency adjustment	(3)	17
Impairment loss recognised during the Period/year	–	42
At 30 September/31 March	1,763	1,766
Carrying amount at 30 September/31 March	259	260

Brands and trademarks are allocated to the Group's cash-generating units identified according to operating segments as follows:

	(Unaudited) 30 September 2018 <i>HK\$ million</i>	(Audited) 31 March 2018 <i>HK\$ million</i>
Emerson	<u>47</u>	<u>47</u>
Licensing		
Akai	147	148
Nakamichi	46	46
Sansui	<u>19</u>	<u>19</u>
Sub-total	<u>212</u>	<u>213</u>
Total	<u><u>259</u></u>	<u><u>260</u></u>

As there were no significant changes to the operation of the Group's licensing business for the Period, the Directors do not expect there to be any significant changes to the carrying amounts of the brands and trademarks as of 30 September 2018.

11. ACCOUNTS AND BILLS RECEIVABLE

The Group allows an average credit period of 30 to 60 days to its trade customers.

	(Unaudited) 30 September 2018 <i>HK\$ million</i>	(Audited) 31 March 2018 <i>HK\$ million</i>
Gross amount	9	20
Less: allowance for doubtful debts	<u>(1)</u>	<u>(2)</u>
Net amount	<u><u>8</u></u>	<u><u>18</u></u>

The Directors considered that the carrying amounts of accounts and bills receivable approximate to their fair values.

The ageing analysis of accounts and bills receivable (net of allowance for doubtful debts) is presented based on the invoice dates as follows:

	(Unaudited) 30 September 2018 <i>HK\$ million</i>	(Audited) 31 March 2018 <i>HK\$ million</i>
0 – 3 months	<u><u>8</u></u>	<u><u>18</u></u>

In addition, some of the unimpaired accounts and bills receivable are past due but not impaired as at the end of the reporting period. The ageing analysis of accounts and bills receivable past due but not impaired is as follows:

	(Unaudited) 30 September 2018 <i>HK\$ million</i>	(Audited) 31 March 2018 <i>HK\$ million</i>
0 – 3 months	<u><u>2</u></u>	<u><u>4</u></u>

Before accepting any new customer, the management assesses the potential customer's credit quality with reference to the customer's reputation and market standing and defines the credit limits accordingly. Continuity of the credit limits to the customers is reviewed by management as and when necessary. Based on the aforesaid assessment and considerations of the ECLs measurement under HKFRS 9, the above accounts and bills receivable which are past due but not impaired are still considered to be fully recoverable.

12. ACCOUNTS AND BILLS PAYABLE

The ageing analysis of accounts and bills payable is as follows:

	(Unaudited) 30 September 2018 <i>HK\$ million</i>	(Audited) 31 March 2018 <i>HK\$ million</i>
0 – 3 months	<u><u>1</u></u>	<u><u>1</u></u>

13. ACCRUED LIABILITIES AND OTHER PAYABLES

	(Unaudited) 30 September 2018 HK\$ million	(Audited) 31 March 2018 HK\$ million
Accrued expenses (<i>Note (i)</i>)	11	39
Contract liabilities (<i>Note (ii)</i>)	16	–
Deferred income (<i>Note (iii)</i>)	–	28
Other payables	–	4
	<u>27</u>	<u>71</u>

Note (i)

Included in the accrued expenses were amounts in aggregate of HK\$27 million as at 31 March 2018, which were provisions for liabilities to Sansui Electric Co., Ltd (“SEC”) and Sansui Sales Pte. Limited (“SSPL”), both former associate corporations of the Company. During the Period, the dissolution of SEC was completed and SSPL has been struck-off. Taking into account the relevant facts and circumstances, management considered the Group’s obligations in relation to the amounts due to both SEC and SSPL no longer exist and hence were fully written back during the Period.

In additions, there was a tax provision amounting to HK\$17 million recorded under tax liabilities in the consolidated statement of financial position since the year ended 31 December 2011, arising from the previous licensing arrangement between the Group with SSPL. Following the execution of strike-off of SSPL during the Period, in the opinion of the management, the Group’s obligations in relation to the tax provision no longer existed and hence were fully written back during the Period.

Note (ii)

Contract liabilities represent the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration from the customer, before the Group transfers a good or service to the customer, which was previously recorded as deferred income at note (iii), reclassification were made since 1 April 2018 to consistence with the terminology under HKFRS 15.

Note (iii)

Deferred income represents licensing income received in advance that relates to periods subsequent to 31 March 2018. Upon adoption of HKFRS 15, no deferred income is recognised by the Group, details are set out in note (ii) above.

MANAGEMENT DISCUSSION AND ANALYSIS

30 September 2018

BUSINESS REVIEW AND PROSPECTS

The Group recorded a revenue of HK\$50 million for the six months ended 30 September 2018 (the “Period”) as compared to HK\$81 million for the six months ended 30 September 2017 (the “Corresponding Period”), a decrease of 38.3%. The decrease in revenue was mainly due to (1) the decrease in the revenue generated from the distribution of houseware appliances of Emerson and the licensing income from the Licensing operations; and (2) the adoption of HKFRS 15 at the start of the Period on the timing of revenue recognition which, as set out on notes 3(a) and 3(c) of the condensed consolidated interim financial statements, had an effect on the revenue of the Group for the Period as part of the deferred income amounting to HK\$26 million as of 31 March 2018 was credited directly to shareholders reserves since the adoption of HKFRS 15 on 1 April 2018.

The Group also recorded an unaudited net profit attributable to shareholders of HK\$32 million for the Period, as compared to HK\$48 million for the Corresponding Period. The drop in the net profit was mainly due to (1) decrease in gross profit of the Emerson and Licensing operations as a result of the decrease in total revenue; and (2) no write back of accrued liabilities with deconsolidated subsidiaries was recorded in the Period. The decrease was partly off set by the increases in other income and write back of prior years’ tax provision.

Set out below are the results of the Group analysed as to Emerson operations and the Licensing operations.

Emerson operation

Emerson Radio Corp. (“Emerson”), a 71.0% owned subsidiary as at 9 November 2018 (68.3% as at 30 September 2018) whose shares are listed on the NYSE American in the USA, generated revenue through distribution of houseware products and audio products and licensing of its brand in the North America. Its major customers include Wal-Mart, Amazon.com and Fred Meyer. Revenue generated from the distribution of houseware products and audio products of Emerson for the Period was HK\$36 million as compared to HK\$51 million for the Corresponding Period, a decrease of 29.4%. The revenue generated from licensing was HK\$1 million for the Period as compared to HK\$3 million for the Corresponding Period, a decrease of 66.7%. The major elements which contributed to the reduced revenue were a decrease in year over year sales of houseware products as a result of the discontinuation of purchase of microwave ovens by one of its customers from Emerson and the year-over year decrease of licensing revenue attributable to the non-renewal of one of the company’s licensees which expired in December 2017.

Even though the overall sales of Emerson decreased by about 31.5%, active steps were taken to manage and control its operating costs and selling, general and administrative expenses. Emerson has managed to reduce its operating loss from HK\$17 million in the Corresponding Period to HK\$12 million in the Period.

Licensing operation

The Group also owns three internationally recognised consumer electronic brands namely, Akai, Sansui and Nakamichi. Through licensing of these brands to independent third parties, the operation generates steady income to the Group. Revenue generated from this operation for the Period was HK\$13 million as compared to HK\$27 million for the Corresponding Period, a decrease of 51.9%. The operating profit of this operation for the Period was HK\$6 million as compared to HK\$19 million for the Corresponding Period, a decrease of 68.4%. The significant decrease in licensing revenue and operating profit was mainly due to the adoption of HKFRS 15 at the start of the period on the timing of revenue recognition as set out in detail on notes 3(a) and 3(c) of the condensed consolidated interim financial statements, where part of the deferred income amounting to HK\$26 million as of 31 March 2018 was credited directly to shareholders reserves since the adoption of HKFRS 15 on 1 April 2018.

Under the current licensing model, the brand owners of Akai, Sansui and Nakamichi will grant licensing rights to individual licensees around the world, authorising them to sell products under the respective trademark. In return, the licensees will pay a licensing fee ranging from 2% to 6% to the brand owners, depending on the respective brand involved, on the gross value of purchases made during the license period.

As at 30 September 2018, there were a total of 29 contracts in force with licensees to distribute products in the brand names of Akai, Sansui and Nakamichi around the world.

Prospect

Emerson will continue to expand the existing distribution channels and to develop and promote new products to regain shelf spaces with retailers in the USA. Emerson is also investing in products and marketing activities to expand its sales through internet and ecommerce channels. These efforts require investments in appropriate human resources, media marketing and development of products in various categories in addition to the traditional home appliances and audio products on which Emerson has historically focused. Emerson is also continuing its efforts to identify strategic courses of action related to its licensing activities, including seeking new licensing relationships.

The Company expects that recently announced US tariffs on certain imported goods from China, and the current US administration's public support for additional tariffs on imported goods from China, and China's retaliatory tariffs on certain goods imported from the US, as well as modifications to international trade policy, may affect its product costs going forward, which could require Emerson to take pricing action to offset the increasing costs; however, at this time the Company is unable to quantify this possible effect on its costs. Although the Company is monitoring the trade environment and working to mitigate the possible effect of tariffs through pricing and sourcing strategies, the Company cannot be certain how its customers and competitors will react to the actions taken, and some costs may be passed through to the Company's customers as product price increases in the future.

Even though the global economic environment is not quite favorable at the moment, management will endeavor to push the distribution and licensing business in the second half of the financial year ending 31 March 2019 in order to enhance the shareholders value of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2018, the Group had a current ratio of approximately 2.92 (2.22 as at 31 March 2018).

As at 30 September 2018, the Group had HK\$435 million cash and bank balances (HK\$446 million as at 31 March 2018). The Group's working capital requirements were mainly financed by internal resources.

The Group had inventories of approximately HK\$25 million as at 30 September 2018 (HK\$25 million as at 31 March 2018).

As at 30 September 2018, the Group had net current assets of HK\$318 million as compared to net current assets of HK\$273 million as at 31 March 2018.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not make any material acquisition and disposal of subsidiaries and affiliated companies during the Period.

MATERIAL EVENTS AFTER THE PERIOD

There were no significant events occurred after the Period.

SIGNIFICANT INVESTMENT

The Group did not enter into any new significant investment during the Period.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have any concrete plan for material investments or capital assets for the coming 12 months.

GEARING RATIO

As the Group does not have any interest bearing debts, both the gearing ratios as at 30 September 2018 and 31 March 2018 were nil.

CONTINGENT LIABILITIES

Except for the cases set out below, the Group did not have significant contingent liabilities as of 30 September 2018 and up to the date of this announcement.

- (a) In an order made by the High Court of Hong Kong on 9 May 2016 in respect of case HCCW 177/2011 the Company is required to:
 - (i) Indemnify and keep indemnified the Former Provisional Liquidators in the event that the funds paid into Court, are insufficient to meet the taxed fees and expenses of the Former Provisional liquidators; and
 - (ii) Indemnify and keep indemnified Mr. Fok Hei Yu, Vincent and FTI Consulting (Hong Kong) Limited in respect of the costs of the defence of proceedings HCA 92/2014 (“the Action”), subject to the final determination of the Action. HCA 92/2014 is a legal case filed in January 2014 in the High Court of Hong Kong by Sino Bright against Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited for alleged misrepresentation and the case is ongoing.

As at the date of this announcement, the Company has received no such requests for such fees, costs and expenses.

- (b) The legal case with the High Court of Hong Kong under HCA 48/2014 against the former associates of the Company, Sansui Electric Co., Ltd. (“SEC”) and Sansui Sales Pte. Limited (“SSPL”) was discontinued in the preceding financial period. During the current period SEC has been dissolved and SSPL has been struck off.

The management is of the view that no provision is necessary for any of the matters described above, after having considered their respective merits.

CHARGES ON GROUP ASSETS

The Group did not have any charge on its assets as at 30 September 2018. Certain of the Group's assets with a total carrying value of approximately HK\$196 million as at 31 March 2018 were pledged to secure other borrowing facilities granted in previous years to certain deconsolidated subsidiaries and the Group.

TREASURY POLICIES

The Group's revenues are mainly in US dollars. The Group is not exposed to any significant currency risks since the HK dollar is linked with the US dollar.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 30 September 2018 was 45 (40 as at 31 March 2018). The Group remunerates its employees mainly based on industry practice, individual performance and experience. Apart from the basic remuneration, a discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as to an individual's performance in the relevant financial year. Other benefits include medical and retirement schemes.

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the Period (2017: nil).

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

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

CORPORATE GOVERNANCE PRACTICES

The Directors confirmed that the Company has complied with all principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 to the Listing Rules during the Period, except for the code provisions of the CG Code as noted hereunder.

Under code provision A.2.1 of the Code, the roles of the Chairman of the Board and the Chief Executive Officer should be separate and should not be performed by the same individual. However, since the appointment of Mr. Tan as a Director on 2 December 2017, he was also appointed as the Chairman of the Board and the Chief Executive Officer of the Company until now.

The Board has considered that the non-segregation would not result in concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors (the “Model Code”) as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made of all Directors and all of them have confirmed that they have complied with the required standards as set out in the Model Code during the Period.

REVIEW OF INTERIM FINANCIAL REPORT

The Audit Committee has reviewed and confirmed with the management of the Company the unaudited consolidated interim results of the Group for the Period and the Corresponding Period, the accounting principles and practices adopted by the Group, and discussed risk management, internal controls and financial reporting matters. At the request of the Directors, the Company's external auditor, Moore Stephens CPA Limited, has carried out a review of the said unaudited condensed consolidated interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF 2018 INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.nimbleholding.com). The 2018 Interim Report will be despatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board
Nimble Holdings Company Limited
Tan Bingzhao
Chairman

Hong Kong, 30 November 2018

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely, Mr. Tan Bingzhao and Mr. Deng Xiangping; and three independent non-executive directors, namely, Dr. Lin Jinying, Dr. Lu Zhenghua and Dr. Ye Hengqing.