PACIFIC PLYWOOD HOLDINGS LIMITED
太平洋實業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 767)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board (the "**Board**") of directors (the "**Directors**") of Pacific Plywood Holdings Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results and financial position of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2017 with comparative figures for the previous periods as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*5*	**215,934**	187,973
Cost of services		**—**	(781)
Gross profit		**215,934**	187,192
Other income and gains	*6*	**14,222**	19,327
Selling and distribution expenses		**(95)**	(13,852)
Administrative expenses		**(72,734)**	(80,753)
Other expenses		**(18,782)**	(11,200)
PROFIT BEFORE TAX	*7*	**138,545**	100,714
Income tax expense	*8*	**(38,885)**	(10,341)
PROFIT FOR THE PERIOD		**99,660**	90,373
Attributable to:			
Owners of the parent		**94,649**	87,822
Non-controlling interests		**5,011**	2,551
		99,660	90,373
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic		**HK2.45 cents**	HK2.95 cents
Diluted		**HK0.64 cents**	HK0.59 cents

* *For identification purpose only*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**99,660**	90,373
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**54,928**	(161,903)
Reclassification adjustments for gains/(losses) included in the interim condensed consolidated statement of profit or loss		
— gain on disposal	**—**	(4,865)
— impairment losses	**18,359**	11,200
	73,287	(155,568)
Exchange differences on translation of foreign operations	**9,662**	(3,719)
Adjustments relating to disposal of subsidiaries	**—**	(1,425)
	9,662	(5,144)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**82,949**	(160,712)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**182,609**	(70,339)
Attributable to:		
Owners of the parent	**177,212**	(73,066)
Non-controlling interests	**5,397**	2,727
	182,609	(70,339)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

	Notes	30 June 2017 (Unaudited) HK$'000	31 December 2016 (Audited) HK$'000
NON-CURRENT ASSETS			
Plant and equipment	*11*	**2,158**	2,908
Goodwill	*12*	**2,182,663**	2,182,663
Available-for-sale investments	*13*	**823,415**	718,465
Total non-current assets		**3,008,236**	2,904,036
CURRENT ASSETS			
Loan and interest receivables	*14*	**1,215,011**	878,079
Trade and other receivables	*15*	**109,524**	5,638
Tax recoverable		**5,361**	5,549
Cash and cash equivalents		**100,167**	348,357
Total current assets		**1,430,063**	1,237,623
CURRENT LIABILITIES			
Other payables and accruals	*16*	**161,511**	13,333
Tax payable		**13,053**	47,179
Total current liabilities		**174,564**	60,512
NET CURRENT ASSETS		**1,255,499**	1,177,111
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,263,735**	4,081,147
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**57**	78
Net assets		**4,263,678**	4,081,069
EQUITY			
Equity attributable to owners of the parent			
Share capital	*17*	**3,870**	3,870
Reserves		**4,236,916**	4,059,704
		4,240,786	4,063,574
Non-controlling interests		**22,892**	17,495
Total equity		**4,263,678**	4,081,069

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered address of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda. The principal place of business of the Company is located at Units 3301–03, 33/F, West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

During the period, the Group was involved in the following principal activities:

- Operation of peer-to-peer ("**P2P**") financing platform under the "CAIJIA" brand and other loan facilitation services
- Money lending and provision of credit
- Securities investments
- Provision of corporate secretarial and consultancy services (disposed during the year ended 31 December 2016)
- Forestry business (disposed during the year ended 31 December 2016)

In the opinion of the Directors, the holding company and the ultimate holding company of the Company is Allied Summit Inc., which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016.

The accounting policies and the basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which also include HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as disclosed in note 3 below.

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain of financial instruments, which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Annual Improvements 2014–2016 Cycle	Amendments to a number of HKFRSs

The adoption of these revised HKFRSs has had no significant financial effect on these unaudited interim condensed consolidated financial statements and there have been no significant changes to the accounting policies in the unaudited interim condensed consolidated financial statements.

4. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these unaudited interim condensed consolidated financial statements.

Amendments to HKFRS 2	*Classifications and Measurement of Share-based Payment Transactions*[1]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[1]
HKFRS 9	*Financial Instruments*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
HKFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[1]
HKFRS 16	*Leases*[2]
Amendments to HKAS 40	*Transfers to Investment Property*[1]
Annual Improvements 2014–2016 Cycle	Amendments to a number of HKFRSs[4]
HK(IFRIC) – Int 22	*Foreign Currency Transactions and Advance Consideration*[1]
HK(IFRIC) – Int 23	*Uncertainty Over Income Tax Treatment*[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 No mandatory effective date yet determined but available for adoption
4 Effective for annual periods beginning on or after 1 January 2018, with early application permitted

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

5. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has five reportable operating segments as follows:

(a) Loan facilitation services: operation of P2P financing platform under the "CAIJIA" brand and other loan facilitation services

(b) Money lending: money lending and provision of credit for interest income

(c) Securities investments: trading of securities and investment in long-term securities

(d) Consultancy services: provision of corporate secretarial and consultancy services (disposed during the year ended 31 December 2016)

(e) Forestry business: forest logging and harvesting (disposed during the year ended 31 December 2016)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank interest income, gain on disposal of subsidiaries as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude tax recoverable and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Six months ended 30 June 2017

	Loan facilitation services (Unaudited) *HK$'000*	**Money lending (Unaudited)** *HK$'000*	**Securities investments (Unaudited)** *HK$'000*	**Total (Unaudited)** *HK$'000*
Segment revenue				
Sales to external customers	**163,466**	**52,468**	**—**	**215,934**
Segment results	**146,747**	**26,973**	**(18,252)**	**155,468**
Reconciliation:				
Bank interest income				**465**
Gain on disposal of a subsidiary				**1**
Corporate and other unallocated expenses, net				**(17,389)**
Profit before tax				**138,545**
Other segment information included in interim condensed consolidated statement of profit and loss				
Depreciation	**498**	**—**	**—**	**498**
Impairment of available-for-sale investments	**—**	**—**	**18,359**	**18,359**
Impairment of other receivables	**423**	**—**	**—**	**423**
Loss on disposal of items of plant and equipment	**249**	**—**	**—**	**249**
Capital expenditure	**—**	**—**	**—**	**—**

Six months ended 30 June 2016

	Loan facilitation services (Unaudited) *HK$'000*	Money lending (Unaudited) *HK$'000*	Securities investments (Unaudited) *HK$'000*	Consultancy services (Unaudited) *HK$'000*	Forestry business (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment revenue						
Sales to external customers	158,780	28,843	—	350	—	187,973
Segment results	92,119	28,824	(8,626)	(1,353)	(462)	110,502
Reconciliation:						
Bank interest income						251
Gain on disposal of subsidiaries						11,425
Corporate and other unallocated expenses, net						(21,464)
Profit before tax						100,714
Other segment information included in interim condensed consolidated statement of profit and loss						
Depreciation	2,975	—	—	—	—	2,975
Dividend income	—	—	(1,986)	—	—	(1,986)
Gain on disposal of available-for-sale investments	—	—	(4,824)	—	—	(4,824)
Impairment of available-for-sale investments	—	—	11,200	—	—	11,200
Loss on disposal of items of plant and equipment	2,562	—	—	—	—	2,562
Capital expenditure	1,121	—	—	—	—	1,121

30 June 2017

	Loan facilitation services (Unaudited) *HK$'000*	Money lending (Unaudited) *HK$'000*	Securities investments (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment assets	**2,371,914**	**1,217,208**	**827,206**	**4,416,328**
Reconciliation:				
Tax recoverable				**5,361**
Corporate and other unallocated assets				**16,610**
Total assets				**4,438,299**
Segment liabilities	**20,837**	**130,000**	**—**	**150,837**
Reconciliation:				
Tax payable				**13,053**
Deferred tax liabilities				**57**
Corporate and other unallocated liabilities				**10,674**
Total liabilities				**174,621**

31 December 2016

	Loan facilitation services (Audited) *HK$'000*	Money lending (Audited) *HK$'000*	Securities investments (Audited) *HK$'000*	Total (Audited) *HK$'000*
Segment assets	2,441,052	889,234	781,170	4,111,456
Reconciliation:				
Tax recoverable				5,549
Corporate and other unallocated assets				24,654
Total assets				4,141,659
Segment liabilities	10,842	—	—	10,842
Reconciliation:				
Tax payable				47,179
Deferred tax liabilities				78
Corporate and other unallocated liabilities				2,491
Total liabilities				60,590

6. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Bank interest income	**465**	251
Dividend income from available-for-sale investments	**—**	1,986
Gain on disposal of available-for-sale investments (transfer from equity on disposal, and net of transaction costs)	**—**	4,824
Gain on disposal of subsidiaries	**1**	11,425
Agency services fee income	**13,000**	—
Others	**756**	841
	14,222	19,327

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**593**	3,134
Impairment of available-for-sale investments*	**18,359**	11,200
Impairment of other receivables*	**423**	—
Loss on disposal of items of plant and equipment	**249**	2,562
Employee benefit expenses (including directors' and chief executive's remuneration)		
— Wages and salaries	**11,926**	47,236
— Pension scheme contributions	**1,570**	9,709
	13,496	56,945
Foreign exchange difference, net	**(2)**	739

* *Included in "Other expenses" on the face of the interim condensed consolidated statement of profit or loss.*

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Withholding tax represented withholding tax paid in respect of the Group's income from the provision of loan facilitation services to customers who were located outside Hong Kong.

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the period	**188**	1,067
Overprovision in prior periods	**—**	(11)
	188	1,056
Current — People's Republic of China ("**PRC**")		
Charge for the period	**12,884**	9,326
Overprovision in prior periods	**(166)**	—
	12,718	9,326
Withholding tax	**26,000**	—
Deferred	**(21)**	(41)
Total tax expense for the period	**38,885**	10,341

9. DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 June 2017 (30 June 2016: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of the basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings:		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**94,649**	87,822

	Number of shares	
	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	'000	*'000*
Shares:		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**3,870,102**	2,973,399
Effect of dilution — weighted average number of ordinary shares:		
Mandatory convertible notes	**10,912,000**	11,808,703
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	**14,782,102**	14,782,102

11. PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group has addition of plant and equipment at a total cost of HK$43,000 (30 June 2016: HK$1,776,000).

12. GOODWILL

At 30 June 2017 and 31 December 2016, the carrying amount of goodwill of HK$2,182,663,000 was allocated to operation of loan facilitation services business. In the opinion of the Directors, there was no indicator for impairment on the goodwill for the six months ended 30 June 2017 (30 June 2016: Nil) in relation to loan facilitation cash-generating unit based on the current operation performance and the expected future revenue growth rate.

13. AVAILABLE-FOR-SALE INVESTMENTS

	30 June	31 December
	2017	2016
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Listed equity investments, at fair value	**823,415**	718,465

During the six months ended 30 June 2017, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$54,928,000 (30 June 2016: gross loss of HK$161,903,000), of which HK$18,359,000 (30 June 2016: HK$6,335,000) was reclassified from other comprehensive income to the statement of profit or loss for the period.

The above investments consist of investments in listed equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

14. LOAN AND INTEREST RECEIVABLES

The term of loans entered with its customers are on credit. The credit period is generally within one year, extending up to two years, after monitoring assessment and further creditworthiness analysis on the debtors reviewed by senior management. All loan and interest receivables are denominated in HK$. The loan receivables carried fixed interest rate ranging from 8% to 15% (31 December 2016: 9% to 15%) per annum.

An aged analysis of the loan and interest receivables at the end of the reporting period, based on the loan agreement commencement date and the date of interest income accrued, is as follows:

	30 June 2017 (Unaudited) ***HK$'000***	31 December 2016 (Audited) *HK$'000*
Within 30 days	**58,006**	145,026
31 to 90 days	**162,194**	93,026
91 to 180 days	**233,156**	91,208
181 to 365 days	**294,237**	230,561
Over 365 days	**467,418**	318,258
	1,215,011	878,079

15. TRADE AND OTHER RECEIVABLES

	30 June 2017 (Unaudited) ***HK$'000***	31 December 2016 (Audited) *HK$'000*
Trade receivables	**94,291**	670
Deposits	**2,512**	2,845
Prepayments	**1,247**	1,533
Other receivables	**11,474**	590
	15,233	4,968
Total trade and other receivables	**109,524**	5,638

The Group's trading terms with its customers are mainly on credit. The credit periods are ranging from 30 to 45 days for its trade receivables. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	30 June 2017 (Unaudited) ***HK$'000***	31 December 2016 (Audited) *HK$'000*
Within 30 days	**93,600**	—
31 to 60 days	**—**	670
61 to 90 days	**—**	—
Over 90 days	**691**	—
	94,291	670

16. OTHER PAYABLES AND ACCRUALS

	30 June 2017 *HK\$'000* **(Unaudited)**	31 December 2016 *HK\$'000* (Audited)
Other payables	**160,350**	9,657
Accruals	**1,161**	3,676
	161,511	13,333

Other payables are non-interest-bearing. Included in the above other payables is the refundable deposit of HK$110,000,000 offered by an independent third party for the procurement of consumable goods.

17. SHARE CAPITAL

	30 June 2017 (Unaudited) *HK\$'000*	31 December 2016 (Audited) *HK\$'000*
Authorised:		
400,000,000,000 shares of HK$0.001 each	**400,000**	400,000
Issued and fully paid:		
3,870,102,650 (31 December 2016: 3,870,102,650) ordinary shares of HK$0.001 each	**3,870**	3,870

18. OPERATING LEASES ARRANGEMENTS

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

At 30 June 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2017 (Unaudited) *HK\$'000*	31 December 2016 (Audited) *HK\$'000*
Within one year	**6,344**	9,315
In the second to fifth years, inclusive	**2,046**	3,054
	8,390	12,369

19. CAPITAL COMMITMENT

The Group did not have any significant capital commitment as at 30 June 2017 (31 December 2016: Nil).

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

At 30 June 2017 and 31 December 2016, the Group's available-for-sale investments include investment in equity securities listed in Hong Kong.

Subsequent to initial recognition at fair value, investment in equity securities listed on the Stock Exchange is measured based on the quoted price (unadjusted) in active market (Level 1 fair value measurement). At 30 June 2017, HK$823,415,000 (31 December 2016: HK$718,465,000) investment in equity securities is measured at fair value on a recurring basis.

Fair value hierarchy has been defined in the Group's consolidated financial statements for the year ended 31 December 2016. The Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the unaudited interim condensed consolidated financial statements approximate to their fair values. There was no transfer between Level 1 and 2 in the current and prior periods.

21. RELATED PARTY TRANSACTIONS

(a) Transaction with a related party

During the six months ended 30 June 2016, 1,088,000,000 shares of the Company were issued to Allied Summit Inc., a controlling shareholder of the Company, upon exercise of the conversion rights attaching to the mandatory convertible notes of the Company at a conversion price of HK$0.2 per share. Further details of which are set out in the Company's announcement dated 26 May 2016.

(b) Compensation of key management personnel of the Group

In the opinion of the Directors, the directors and chief executive of the Company represented the key management personnel of the Group and whose compensation are set out as follows:

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short-term employee benefits	**1,149**	1,149

22. EVENT AFTER THE END OF THE REPORTING PERIOD

On 24 August 2017, the Group entered into an extension letter with a borrower (the "**Borrower**"), an independent third party, pursuant to which the Group has agreed to extend the repayment date of a loan with principal amount of up to HK$82,000,000 to 22 August 2018. Prior to 24 August 2017, the Group provided the previous loan facilities to the Borrower with loan principal amounts of HK$298,000,000 in aggregate. Further details of which are set out in the Company's announcement dated 24 August 2017.

23. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 24 August 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

BUSINESS REVIEW

During the six months ended 30 June 2017, the Group was principally engaged in the business of operation of P2P financing platform and other loan facilitation services, money lending and provision of credit and securities investments.

Operation of P2P Financing Platform and Other Loan Facilitation Services Business

Since the completion of the acquisition of Katar Global Limited and its subsidiaries (the "**Katar Global Group**") on 20 October 2015, the Group, through relevant structured contracts (the "**Structured Contracts**"), has been engaging in the operation of a P2P financing platform in the PRC, matching borrowers with private lenders for various financial products through the internet under the "CAIJIA" brand, which is conducted via the website (www.91caijia.com) (the "**Caijia Website**"). During the six months ended 30 June 2017, a segment revenue of approximately HK$163,466,000 (six months ended 30 June 2016: HK$158,780,000) and a segment profit of approximately HK$146,747,000 (six months ended 30 June 2016: HK$92,119,000) were recorded.

Compliance of Structured Contracts with the PRC Laws, Rules and Regulations for Operation of P2P Financing Platform

During the six months ended 30 June 2017 and up to the date of this announcement, no evidence has come to the attention of the Company that the parties to the Structured Contracts have not performed their obligations in compliance with the Structured Contracts. Moreover, as at the date of this announcement, the Group has not encountered any interference or encumbrance from any governing bodies in operating its business under the Structured Contracts. Thus, the Board considered that the implementation of the Structured Contracts is satisfactory and in compliance and the Structured Contracts shall be enforceable under the PRC laws and regulations.

Money Lending and Provision of Credit Business

Since obtaining the money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in 2011, Joy Wealth Finance Limited ("**Joy Wealth**"), a wholly-owned subsidiary of the Company, has provided a wide variety of loans with an accumulated amount of approximately HK$2,536 million. Interest rates ranged from 8% to 15% per annum during the six months ended 30 June 2017 (six months ended 30 June 2016: 10% to 36%). For the six months ended 30 June 2017, interest income recorded by Joy Wealth was approximately HK$43,394,000 (six months ended 30 June 2016: HK$28,843,000). Details on the loan and interest receivables are set out in note 14 to the interim condensed consolidated financial statements.

Securities Investments Business

As at 30 June 2017, the Group held several investments which were equity securities listed on the Stock Exchange for long-term investment with fair value of approximately HK$823,415,000 (31 December 2016: HK$718,465,000). During the six months ended 30 June 2017, these investments in listed securities led to a net fair value gain being recognised as an other comprehensive income in an amount of approximately HK$73,287,000 (six months ended 30 June 2016: net fair value loss of

HK$155,568,000) while there was gain on disposal of approximately HK$4,824,000 during the six months ended 30 June 2016 recognised in the unaudited condensed consolidated statement of profit or loss. Significant investments in listed securities are discussed as below:

Investment in shares of Imperial Pacific

The Group held 5,426,900,000 shares of Imperial Pacific International Holdings Limited (a company whose shares are listed on the Stock Exchange with stock code: 1076) ("**Imperial Pacific**"), representing approximately 3.8% of the then issued share capital of Imperial Pacific as at 30 June 2017. Imperial Pacific, through its subsidiaries, is mainly engaged in gaming and resort business, including the development and operation of integrated resort on the Island of Saipan, Commonwealth of the Northern Mariana Islands.

As at 30 June 2017, the fair value of the shares of Imperial Pacific held by the Group amounted to approximately HK$662,082,000 (31 December 2016: HK$575,251,000), representing approximately 80.4% (31 December 2016: 80.1%) of the Group's total investment in the listed securities. There was no disposal nor addition of shares of Imperial Pacific during the six months ended 30 June 2017 and 2016. The net fair value gain recognised as an other comprehensive income for the investment in shares of Imperial Pacific for the six months ended 30 June 2017 was approximately HK$86,830,000 (six months ended 30 June 2016: net fair value loss of HK$146,526,000).

Investment in shares of Huarong Int Fin

The Group also held 36,786,000 shares of Huarong International Financial Holdings Limited (a company whose shares are listed on the Stock Exchange with stock code: 993) ("**Huarong Int Fin**"), representing approximately 1.0% of the then issued share capital of Huarong Int Fin as at 30 June 2017. Huarong Int Fin, through its subsidiaries, is principally engaged in brokerage and dealing of securities, futures and options contracts, margin financing, loan financing, financial advisory, investment, provision of management and consultancy services.

As at 30 June 2017, the fair value of the shares of Huarong Int Fin held by the Group amounted to approximately HK$103,737,000 (31 December 2016: HK$112,197,000), representing approximately 12.6% (31 December 2016: 15.6%) of the Group's total investment in the listed securities. There was no disposal nor addition of shares of Huarong Int Fin during the six months ended 30 June 2017 and 2016. The net fair value loss recognised as an other comprehensive loss for the investment in shares of Huarong Int Fin for the six months ended 30 June 2017 was approximately HK$8,461,000 (six months ended 30 June 2016: net fair value loss of HK$19,074,000).

OUTLOOK

Operation of P2P Financing Platform and Other Loan Facilitation Services Business

The Group is of the view that the strong profit-making ability of this segment may or may not be sustainable in the future as the P2P lending industry is on the consolidation phase and according to publicly available information, several P2P financing platforms in the PRC were shut down due to high default rate on loans, which has adversely affected the confidence of potential lenders. Also, the number of P2P financing platforms is decreasing after implementation of strict rules on P2P lending industry by the PRC government with its efforts in reforming the financial system. The Group believes that maintaining and enhancing the "CAIJIA" brand as well as modifying existing business model are critical to its competitive advantage and for it to maintain or gain market share. Thus, the Group has strengthened its credit assessment and due diligence procedures on potential borrowers under the P2P loan facilitation services business in order to reduce loan default risks and to ensure high-quality loans. Moreover, in order to maintain profitability in this segment, the Group would continue developing the business of provision of other loan facilitation services, which has been generating satisfactory income to the Group.

Adoption of the Revised Business Model

As set out in the circular of the Company dated 29 September 2015, the Company shall, within 3 months after completion of the acquisition of the Katar Global Group, look for acquisition opportunities of foreign companies principally engaged in e-commerce related business with track records and if the Group is able to identify and complete such acquisition, the Group can immediately obtain sufficient foreign experiences to achieve the qualification requirement under the State Council promulgated Regulations for the Administration of Foreign-invested Telecommunications Enterprises and then initiate the process of unwinding the Structured Contracts.

However, if the Company is not able to identify any suitable acquisition targets, it shall consider either (i) to establish e-commerce related business overseas by itself to gain foreign e-commerce experiences; or (ii) consider modifying the business model of the Katar Global Group such that reliance on the P2P online financing platform is reduced and expanding the businesses outside of the PRC. However, no suitable target has been identified since completion of the acquisition of the Katar Global Group. As an alternative, the Company planned to adopt a revised business model in order to reduce its reliance on, and henceforth the risks associated with the adoption of, the Structured Contracts in the operation of the P2P financing platform (the "**Revised Business Model**").

Under the Revised Business Model, online matching services now provided through the Caijia Website will be outsourced to third party independent internet content provider ("**ICP**") licensees (the "**ICP OPCO(s)**") in such a way that (i) the ICP OPCO(s) will be responsible for establishing, operating and administering a branded website/webpage under the "CAIJIA" trademark of the Group for providing the online matching services; (ii) the ICP OPCO(s) will be paid a fee in return for the provision of the online matching services through the branded website/webpage; (iii) the relationship between the Group and each ICP OPCO will be a simple contractual one that existed between the parties to an ordinary online cooperation agreement; and (iv) the Company will not seek to own or control, whether directly or indirectly, any part of the business or economic interests of the ICP OPCO(s) through any contractual arrangements same as or similar to those of the Structured Contracts. It follows that the economic interests and results of the ICP OPCO(s) will not be consolidated into the financial statements of the Group. The Revised Business Model does not involve any dissipation or disposal of any assets or interests in the Katar Global Group. All the revenue generating assets and entities critical to the operation of P2P financing platform will remain under the ownership, control and management of the Group. Details of the Revised Business Model have been set out in the announcement and circular of the Company dated 5 January 2017 and 6 July 2017 respectively.

The adoption of the Revised Business Model has been approved by the shareholders of the Company (the "**Shareholders**") at the special general meeting of the Company held on 27 July 2017. As at the date of this announcement, the Group has entered into a cooperation agreement with Beijing JuXin Wealth Management Consultant Company Limited# (北京聚信財富管理諮詢有限公司) (being an ICP OPCO and an independent third party), a company established in the PRC with limited liability which possesses a valid ICP licence. It is the Group's plan to enter into corporation agreement(s) of similar terms with other ICP OPCOs as and when appropriate. Further announcement(s) in relation to the Revised Business Model will be made by the Company as and when appropriate.

\# *The English name of this company represents management's best effort to translate the Chinese name of this company, as no English name has been registered.*

Money Lending and Provision of Credit Business

Money lending and provision of credit business will continue to be one of the major business segments of the Group and contribute stable interest income to the Group. The Group will further develop this business segment, diversify the customer portfolio and seek new opportunities to cooperate with its business partners.

Securities Investments Business

As part of its routine exercise, the Company reviews the performance of its existing investment portfolio and evaluating the investment potentials of other investment opportunities available to the Company. Subject to the results of such reviews, the Company may make suitable investment decisions according to the then circumstance and information available which may involve the disposal of the whole or part of its existing investment portfolio and/or the change of the components and/or the asset allocation of its investment portfolio and/or broaden and diversify its investment portfolio with a view of realising and/or optimising the expected return and minimising the risks.

FINANCIAL REVIEW

Financial Results

For the six months ended 30 June 2017, the Group's revenue was approximately HK$215,934,000 (six months ended 30 June 2016: HK$187,973,000). The Group recorded a profit of approximately HK$99,660,000 for the six months ended 30 June 2017 (six months ended 30 June 2016: HK$90,373,000), the basic and diluted earnings per share were HK2.45 cents and HK0.64 cents respectively (six months ended 30 June 2016: basic and diluted earnings per share of HK2.95 cents and HK0.59 cents respectively).

Liquidity and Financial Resources

As at 30 June 2017, the Group had recorded net current assets of approximately HK$1,255,499,000 (31 December 2016: HK$1,177,111,000); and cash and bank balances of approximately HK$100,167,000 (31 December 2016: HK$348,357,000). The Group did not enter into any financial instruments for hedging purpose.

Capital Structure

As at 30 June 2017, the total number of the issued ordinary shares with the par value of HK$0.001 each was 3,870,102,650 (31 December 2016: 3,870,102,650). Details of the share capital of the Company are set out in note 17 to the interim condensed consolidated financial statements.

Working Capital and Gearing Ratio

As the Group had a net cash position as at 30 June 2017 and 31 December 2016 with no borrowing, the gearing ratios were not applicable.

Significant Investment, Acquisition and Disposal

Save for disclosed elsewhere in this announcement, there was no significant investment, acquisition or disposal of subsidiaries and associated companies that should be notified to the Shareholders for the six months ended 30 June 2017 incurred. The performance and prospect of the significant investments of the Group during the period under review were discussed under the sections of "Securities Investments Business" above.

Segment Information

Details of segment information of the Group for the six months ended 30 June 2017 are set out in note 5 to the interim condensed consolidated financial statements.

Employees

As at 30 June 2017, 62 staff members have been employed (31 December 2016: 130) and relevant remuneration was disclosed in note 7 to the interim condensed consolidated financial statements. In-house training programs were provided for the staff to enhance their skills and job knowledge. The management would continue to foster close cooperation among the staff.

The Group will review employee remuneration from time to time and salary increment is normally approved annually or by special adjustment depending on length of services and performance when warranted. In addition to salaries, the Group provides employee benefits including medical and mandatory provident funds. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending on the financial performance of the Group and the performance of the employees.

Details of Charges on Assets

As at 30 June 2017, the Group did not pledge any assets to banks or other financial institutions (31 December 2016: Nil).

Future Plans for Material Investment or Capital Assets

It is the Group's corporate mission to continue to explore ways to improve its financial performance, to diversify its operations into new and more profitable businesses and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or changing to other profitable business as long as it is in the interest of the Company and the Shareholders as a whole. Also, as part of its routine exercise, the Company reviews the performance of its existing investment portfolio and evaluating the investment potentials of other investment opportunities available to the Company from time to time. Subject to the results of such reviews, the Company may make suitable investment decisions according to the then circumstance and information available which may involve the disposal of the whole or part of its existing investment portfolio and/or change of the asset allocation of its investment portfolio and/or expanding its investment portfolio with a view of realising and/or optimising the expected return and minimising the risks. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects.

Save as disclosed elsewhere in this announcement, as at the date of this announcement, the Company had not entered into any agreement, arrangement, understanding, intention or negotiation that should be disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

Treasury Policy

The Group has adopted a treasury policy on 24 May 2011 in relation to the Group's investment in securities of other listed companies on the Stock Exchange. The objective of the policy is to enable the Group to control and govern the possible future securities investments (if any, which may or may not occur).

Foreign Exchange Exposures

Business transactions of the Group are mainly denominated in Hong Kong dollars and Renminbi. The Group has not implemented any foreign currency hedging policy at the moment. However, in the view of the fluctuation of Renminbi in recent years, continuous monitoring on the foreign exchange exposure is carried out and the management will consider hedging the foreign exchange exposure if it has material impact on the Group.

Capital Commitment

As at 30 June 2017, the Group had no material capital commitment (31 December 2016: Nil).

Contingent Liability

As at 30 June 2017, the Group had no material contingent liability (31 December 2016: Nil).

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

On 27 August 2016, Allied Summit Inc. (the "**Shares Vendor**"), the controlling Shareholder, Huarong Financial Services Asset Management L.P. (the "**Offeror**") and Mr. Ma Hongyi (the "**Previous Guarantor**"), entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") (as amended and supplemented by the supplemental sale and purchase agreement dated 4 October 2016 and the second supplemental sale and purchase agreement dated 15 November 2016 and amended and restated by the amendment and restatement agreement dated 7 June 2017 with Mr. Su Weibiao as guarantor (the "**Guarantor**")), pursuant to which the Offeror has conditionally agreed to purchase and the Shares Vendor has conditionally agreed to sell, 2,128,560,000 shares of the Company (the "**Sale Shares**"), representing approximately 55.00% of the entire issued share capital of the Company as at the date of this announcement and the date of the Sale and Purchase Agreement, at an initial consideration of HK$304,384,080 (equivalent to HK$0.143 per Sale Share), which may be subject to a downward adjustment.

Subject to the completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement (the "**Sale and Purchase Completion**"), given that the Offeror will hold approximately 55.00% of the shareholding interest of the Company, the Offeror will therefore be required under Rule 26 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**") to make a mandatory unconditional cash offer (the "**Offer**") for all the issued shares of the Company which are not already owned or agreed to be acquired by it and parties acting in concert with it (the "**Offer Share(s)**"). Subject to the Sale and Purchase Completion, Kingston Securities Limited will, on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer on the basis of HK$0.3 in cash for every Offer Share held.

For details of the Sale and Purchase Agreement and the Offer, please refer to (i) the announcements jointly issued by the Company and the Offeror dated 5 October 2016, 18 October 2016, 26 October 2016, 15 November 2016, 30 December 2016, 6 January 2017, 31 March 2017, 7 April 2017, 7 June 2017, 30 June 2017, 7 July 2017 and 18 August 2017, (ii) the announcements issued by the Company dated 2 December 2016, 23 December 2016, 28 February 2017, 13 April 2017, 15 May 2017, 17 May 2017, 1 June 2017 and 27 July 2017, and (iii) the circular of the Company dated 6 July 2017.

Further announcement(s) in relation to the Sale and Purchase Agreement and the Offer will be made by the Company and the Offeror as and when appropriate.

EVENT AFTER THE END OF THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 22 to the interim condensed consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2017, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 Part XV of the SFO and none of the Directors, the chief executive of the Company nor their associates (as defined in the Listing Rules) had any other interests or short positions in the shares of the Company, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors and their respective associates (as defined in the Listing Rules) is considered to have any interests in the businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial Shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30 June 2017, the Company had been notified of the following substantial Shareholders' interests and short positions, being 5% or more of the Company's issued share capital.

Long position in ordinary shares of the Company:

Name	**Capacity and nature of interest**	**Number of shares interested**	**Percentage of the Company's issued share capital (%)**
Su Weibiao/the Guarantor	Held by controlled corporation	13,621,219,755	351.96
Allied Summit Inc./the Shares Vendor *(Notes 1 and 2)*	Beneficial owner	13,621,219,755	351.96
Huarong Financial Services Asset Management L.P./the Offeror *(Notes 3 and 4)*	Beneficial owner	2,128,560,000	55.00
The Ministry of Finance of the People's Republic of China *(Note 3)*	Held by controlled corporation	2,128,560,000	55.00
China Huarong Asset Management Co., Ltd. *(Note 3)*	Held by controlled corporation	2,128,560,000	55.00

Note 1: Allied Summit Inc. is owned as to 80% by Mr. Su Weibiao and as to remaining 20% by Mr. Ng Kwok Fai.

Note 2: Allied Summit Inc. holds i) 2,709,219,755 shares of the Company, representing approximately 70.00% of the issued share capital of the Company as at the date of this announcement; and ii) the convertible notes issued by the Company in the principal amount of HK$2,182,400,000 which are convertible into 10,912,000,000 conversion shares of the Company upon full conversion, representing approximately 281.96% of the issued share capital of the Company as at the date of this announcement. The conversion rights under such convertible notes shall only be exercisable provided that the public float requirements under Rule 8.08 of the Listing Rules is satisfied.

Note 3: Huarong Financial Services Asset Management L.P./the Offeror is 100% indirectly owned by China Huarong Asset Management Co., Ltd., which is 63.36% directly owned by the Ministry of Finance of the People's Republic of China.

Note 4: On 27 August 2016, the Shares Vendor, the Offeror and the Previous Guarantor entered into the Sale and Purchase Agreement (as amended and supplemented by the supplemental sale and purchase agreement dated 4 October 2016 and the second supplemental sale and purchase agreement dated 15 November 2016 and amended and restated by the amendment and restatement agreement dated 7 June 2017 with Mr. Su Weibiao as the Guarantor), pursuant to which the Offeror has conditionally agreed to purchase and the Shares Vendor has conditionally agreed to sell, 2,128,560,000 Sale Shares, representing approximately 55.00% of the entire issued share capital of the Company as at the 30 June 2017.

SHARE OPTIONS

The Company has adopted the share option scheme (the "**Share Option Scheme**") pursuant to an ordinary resolution passed on 12 June 2012 (the "**Adoption Date**") and terminated the previous share option scheme which had expired on 21 June 2012. The purpose of the Share Option Scheme is to provide incentives to the grantee, including employee, officer, agent, consultant or representative of the Group (including any executive or non-executive director of any member of the Group), to contribute to the Group and to enable the Group to recruit high-calibre employees and attract resources that are valuable to the Group. The Share Option Scheme shall be valid and effective for a period of ten years commencing from the Adoption Date and will expire on 11 June 2022.

During the annual general meeting held on 2 June 2017 (the "**AGM**"), the Shareholders duly approved that, subject to and conditional upon the listing committee of the Stock Exchange granting listing of and permission to deal in the shares of the Company to be issued upon the exercise of options which may be granted under the Company's Share Option Scheme, the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be refreshed and renewed provided that the total number of shares of the Company which may be allotted and issued pursuant to the grant or exercises of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the shares of the Company in issue as at 2 June 2017, that is 387,010,265 shares of the Company. The Directors are authorised, subject to compliance with the Listing Rules, to grant options under the Share Option Scheme up to the refreshed limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options granted under the Share Option Scheme. The subscription price will be a price determined by the Board and at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the date of grant of the option, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (c) the nominal value of the shares. The total number of shares which may be issued upon exercise of options must not exceed 30% of the number of shares in issue from time to time. No options may be granted if such grant would result in the 30% limit being exceeded. Details were shown in the circular of the Company dated 28 April 2017.

No share option has been granted or exercised since the adoption of the Share Option Scheme. The total number of shares of the Company for issue under the Share Option Scheme as at the date of this announcement was 387,010,265 shares, representing 10.0% of the issued share capital of the Company as at the date of this announcement.

CORPORATE GOVERNANCE

The Company has complied with the code provisions (the "**Code Provisions**") set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Listing Rules for the six months ended 30 June 2017 except the following deviations:

Code Provision A.4.1

Code Provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term and subject to re-election. One independent non-executive Director who was appointed in previous years is not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-Laws of the Company. As such, it is considered that such provisions are sufficient to meet the underlying objectives of the relevant provisions of the CG Code. Also, the Board does not believe that arbitrary term limits on Director's service are appropriate given that Directors ought to be committed to representing the long-term interests of the Shareholders.

Code Provision E.1.2

Code Provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting of the Company. Mr. Huang Chuan Fu, the chairman of the Board, did not attend the AGM held on 2 June 2017 due to his other important engagement. Mr. Wong Chun Hung, an independent non-executive Director, had chaired the said AGM and answered questions from the Shareholders.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the terms contained in the Model Code for Security Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as the Company's code of conduct for security transactions and dealing (the "**Model Code**"). All existing Directors, upon specific enquiry, have confirmed that they have complied with the Model Code during the six months ended 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30 June 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares. As at 30 June 2017, 3,870,102,650 ordinary shares with the par value of HK$0.001 each were issued.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises of three independent non-executive Directors, Mr. Wong Chun Hung, Mr. Zheng Zhen and Mr. To Langa Samuelson. The Audit Committee has adopted terms of reference which are in line with the CG Code.

The unaudited condensed consolidated results for the six months ended 30 June 2017 have been reviewed by the Audit Committee.

As at the date of this announcement, the Directors are:

Executive Directors
Mr. Huang Chuan Fu *(Chairman)*
Mr. Liang Jian Hua
Ms. Jia Hui
Mr. Jiang Yi Ren

Independent Non-executive Directors
Mr. Wong Chun Hung
Mr. Zheng Zhen
Mr. To Langa Samuelson

By order of the Board
Pacific Plywood Holdings Limited
Huang Chuan Fu
Chairman and Executive Director

Hong Kong, 24 August 2017

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.