

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**中達金融集團有限公司**  
**Central Wealth Financial Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 572)**

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

The board of directors (the “**Board**”) of Central Wealth Financial Group Limited (the “**Company**”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2016 together with comparative figures for the corresponding period of 2015 as follows:

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

*For the six months ended 30 June 2016*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2016</b>	<b>2015</b>
		<b>HKD’000</b>	<b>HKD’000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Turnover – gross proceeds</b>	4	<b>3,461</b>	128,670
<b>Revenue</b>	5	<b>3,461</b>	43,465
Cost of sales		<b>(102)</b>	(14,964)
<b>Gross profit</b>		<b>3,359</b>	28,501
Other revenue		<b>165</b>	15
Gain on disposal of subsidiaries		–	746
Selling expenses		–	(1,111)
Administrative expenses		<b>(7,284)</b>	(8,106)
Impairment loss recognised in respect of receivables from Ease Faith Limited	12	–	(17,616)
Change in fair values of held-for-trading investments		<b>(7,775)</b>	(4,450)
Change in fair values of derivative financial instrument		<b>(3,415)</b>	–
Share-based payments expenses		–	(1,521)
Share of profit of associates		<b>727</b>	–

		<b>Six months ended 30 June</b>	
		<b>2016</b>	<b>2015</b>
	<i>Notes</i>	<b>HKD'000</b>	<b>HKD'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Operating loss</b>		<b>(14,223)</b>	(3,542)
Finance costs	6	<u>(2,452)</u>	<u>(16)</u>
<b>Loss before income tax</b>		<b>(16,675)</b>	(3,558)
Income tax expenses	7	<u>(44)</u>	<u>(2,399)</u>
<b>Loss for the period</b>	8	<b>(16,719)</b>	(5,957)
<b>Other comprehensive expense for the period, net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>–</u>	<u>3</u>
<b>Total comprehensive expense for the period</b>		<b><u>(16,719)</u></b>	<b><u>(5,954)</u></b>
<b>Loss for the period attributable to:</b>			
– Owners of the Company		(16,719)	(5,957)
– Non-controlling interest		<u>–</u>	<u>–</u>
		<b><u>(16,719)</u></b>	<b><u>(5,957)</u></b>
<b>Total comprehensive expense attributable to:</b>			
– Owners of the Company		(16,719)	(5,954)
– Non-controlling interest		<u>–</u>	<u>–</u>
		<b><u>(16,719)</u></b>	<b><u>(5,954)</u></b>
<b>Loss per share attributable to owners of the Company</b>			
– Basic and diluted	10	<b><u>(HK0.29 cents)</u></b>	<b><u>(HK0.18 cents)</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	<i>Notes</i>	<b>30 June 2016 HKD'000 (Unaudited)</b>	31 December 2015 HKD'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>11</i>	<b>1,607</b>	2,001
Investment property	<i>11</i>	<b>403,000</b>	403,000
Interests in associates		<b>3,887</b>	3,160
		<b>408,494</b>	408,161
<b>CURRENT ASSETS</b>			
Held-for-trading investments		<b>46,620</b>	6,732
Trade and other receivables	<i>12</i>	<b>35,357</b>	28,683
Loan and interest receivables	<i>12</i>	<b>18,342</b>	12,020
Loan receivable from an associate		<b>90,000</b>	80,000
Derivative financial instrument		<b>1,877</b>	5,292
Cash and bank balances		<b>22,712</b>	98,114
		<b>214,908</b>	230,841
<b>CURRENT LIABILITIES</b>			
Other payables		<b>25,720</b>	20,840
Bank borrowings		<b>183,384</b>	187,180
Tax liabilities		<b>1,802</b>	1,767
		<b>210,906</b>	209,787
<b>NET CURRENT ASSETS</b>		<b>4,002</b>	21,054
<b>NET ASSETS</b>		<b>412,496</b>	429,215
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>13</i>	<b>5,778</b>	5,778
Reserves		<b>406,722</b>	423,441
Equity attributable to owners of the Company		<b>412,500</b>	429,219
Non-controlling interest		<b>(4)</b>	(4)
<b>TOTAL EQUITY</b>		<b>412,496</b>	429,215

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Attributable to owners of the Company								
	Share capital	Share premium	Share options reserve	Translation reserve	Shares held under share award scheme	Accumulated losses	Total	Non-controlling interest	Total
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
	(Note 13)	(Note a)							
At 1 January 2015 (Audited)	3,285	171,162	5,982	(60)	–	(116,470)	63,899	–	63,899
Loss for the period	–	–	–	–	–	(5,957)	(5,957)	–	(5,957)
Other comprehensive income, net of income tax									
<i>Items that may be reclassified subsequently to profit or loss:</i>									
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	3	–	–	3	–	3
Total comprehensive income (expense) for the period, net of income tax	–	–	–	3	–	(5,957)	(5,954)	–	(5,954)
Recognition of equity-settled share-based payments	–	–	1,521	–	–	–	1,521	–	1,521
Exercise of share options	237	32,715	(3,765)	–	–	–	29,187	–	29,187
At 30 June 2015 (Unaudited)	<b>3,522</b>	<b>203,877</b>	<b>3,738</b>	<b>(57)</b>	<b>–</b>	<b>(122,427)</b>	<b>88,653</b>	<b>–</b>	<b>88,653</b>
At 1 January 2016 (Audited)	5,778	575,380	29,381	(2)	(17,228)	(164,090)	429,219	(4)	429,215
Loss and total comprehensive expense for the period, net of income tax	–	–	–	–	–	(16,719)	(16,719)	–	(16,719)
At 30 June 2016 (Unaudited)	<b>5,778</b>	<b>575,380</b>	<b>29,381</b>	<b>(2)</b>	<b>(17,228)</b>	<b>(180,809)</b>	<b>412,500</b>	<b>(4)</b>	<b>412,496</b>

## Note:

- a) Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Associations and provided that immediately following the distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2016*

## 1. GENERAL

Central Wealth Financial Group Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Unit 912, 9th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Pursuant to the special resolution passed at the extraordinary general meeting of the Company on 15 January 2016, the Company’s name has been changed from “China For You Group Company Limited 中國富佑集團有限公司” to “Central Wealth Financial Group Limited 中達金融集團有限公司”.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in the trading business and related services, securities trading and investment, provision of financing services and property investment.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HKD**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2016 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 (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## Significant events and transactions in the current interim period

**(i) Acquisition of the entire equity interests of Chinacorp (HK) Investment Limited (the “Target Company”)**

Pursuant to the Company’s announcement dated 2 February 2016, Skypark Developments Limited (“**Skypark**”), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Eternal Vantage Investment Limited (the “**Vendor**”), an independent third party, in relation to the acquisition of the entire equity interests of the Target Company and all obligations, liabilities and debts owing or incurred by the Target Company by the Vendor for an aggregate consideration of HKD117,000,000, of which HKD32,000,000 has been satisfied in cash and the remaining balance of HKD85,000,000 has been satisfied by the allotment and issue of 640,000,000 ordinary shares of the Company amounting to HKD80,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD5,000,000 to the Vendor upon completion on 11 July 2016, subsequent to the interim period (Note 15(i)). The principal business of the Target Company is property investment.

**(ii) Disposal of the entire equity interests of Sky Eagle Global Limited (the “Disposal Company”) and its subsidiary Metro Victor Limited (collectively referred to as the “Sky Eagle Disposal Group”)**

Pursuant to the Company’s announcement dated 4 March 2016, the Company entered into the sale and purchase agreement with Gold Mission Limited (“**Gold Mission**”), an independent third party, in relation to the disposal of the entire equity interests in the Disposal Company and all obligations, liabilities and debts owing or incurred by the Sky Eagle Disposal Group to the Company for an aggregate consideration of HKD218,000,000, of which HKD7,000,000 has been satisfied in cash, and the remaining balance of HKD211,000,000 has been satisfied by the allotment and issue of 1,300,000,000 ordinary shares of Skyway Securities Group Limited amounting to HKD182,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD29,000,000 by Gold Mission upon completion on 15 July 2016, subsequent to the interim period (Note 15(ii)). The principal business of the Sky Eagle Disposal Group is property investment.

**(iii) Additional loan to an associate, Instant Achieve Limited (“IAL”)**

On 11 February 2016, the Company additionally lent HKD10,000,000 to IAL and loan receivable from IAL in aggregate was HKD90,000,000 as at 30 June 2016 (31 December 2015: HKD80,000,000). The loan to IAL was interest-free, unsecured and repayable on demand.

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for the investment property and certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

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

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

#### 4. TURNOVER

Turnover represents the gross proceeds received and receivable from i) trading business and related services; ii) securities trading and investment; iii) provision of financing services; and iv) property investment during the periods.

	Six months ended 30 June	
	2016 <i>HKD'000</i> (Unaudited)	2015 <i>HKD'000</i> (Unaudited)
Income from trading business and related services	–	27,579
Gross proceeds from disposal of held-for-trading investments	–	100,718
Dividend income from held-for-trading investments	334	–
Interest income from provision of financing services	427	373
Rental income from property investment	<u>2,700</u>	<u>–</u>
	<u><b>3,461</b></u>	<u><b>128,670</b></u>

#### 5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable segments of the Group.

During the six months period ended 30 June 2015 and 31 December 2015, provision of financing services and property investment became new operating activities of the Group respectively and they are separately assessed by the chief operating decision makers. Therefore, they are reported as new reportable and operating segments.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- Trading business and related services
- Securities trading and investment
- Provision of financing services
- Property investment



## Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Trading business and related services		Securities trading and investment		Provision of financing services		Property investment		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Turnover	-	27,579	334	100,718	427	373	2,700	N/A	3,461	128,670
Revenue	-	27,579	334	15,513	427	373	2,700	N/A	3,461	43,465
- External sales	-	27,579	334	15,513	427	373	2,700	N/A	3,461	43,465
Segment result	(298)	(10,260)	(7,944)	10,905	392	365	(132)	N/A	(7,982)	1,010
Unallocated corporate income									158	-
Unallocated corporate expenses									(6,163)	(3,031)
Change in fair values of derivative financial instrument									(3,415)	-
Share of profit of associates									727	-
Share-based payment expenses									-	(1,521)
Finance costs									-	(16)
Loss before income tax									(16,675)	(3,558)

## Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	<b>30 June</b>	31 December
	<b>2016</b>	2015
	<b><i>HKD'000</i></b>	<i>HKD'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Segment assets</b>		
Trading business and related services	<b>13,983</b>	28,527
Securities trading and investment	<b>47,808</b>	8,047
Provision of financing services	<b>23,978</b>	16,406
Property investment	<b>404,034</b>	404,976
	<hr/>	<hr/>
Total segment assets	<b>489,803</b>	457,956
Unallocated corporate assets	<b>133,599</b>	181,046
	<hr/>	<hr/>
Consolidated assets	<b>623,402</b>	639,002
	<hr/> <hr/>	<hr/> <hr/>
<b>Segment liabilities</b>		
Trading business and related services	<b>5,827</b>	6,077
Securities trading and investment	<b>30</b>	80
Provision of financing services	<b>275</b>	230
Property investment	<b>184,322</b>	188,130
	<hr/>	<hr/>
Total segment liabilities	<b>190,454</b>	194,517
Unallocated corporate liabilities	<b>20,452</b>	15,270
	<hr/>	<hr/>
Consolidated liabilities	<b>210,906</b>	209,787
	<hr/> <hr/>	<hr/> <hr/>

## 6. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Unaudited)
Interest expenses on:		
Bank borrowings	2,452	–
Others	–	16
	<u>2,452</u>	<u>16</u>
	<b><u>2,452</u></b>	<b><u>16</u></b>

## 7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2016	2015
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
– Hong Kong Profits Tax	65	2,390
– PRC Enterprises Income Tax (“EIT”)	–	9
	<u>65</u>	<u>2,399</u>
Over provision in prior years:		
– Hong Kong Profits Tax	(21)	–
	<u>44</u>	<u>2,399</u>
	<b><u>44</u></b>	<b><u>2,399</u></b>

## 8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2016	2015
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Unaudited)
Directors' and chief executive's emoluments	1,596	1,488
Other staff costs	884	2,065
Contributions to retirement benefits scheme, other than directors and chief executives	28	270
	<u>2,508</u>	<u>3,823</u>
Total staff costs		
Auditor's remuneration		
Audit services	20	–
Non-audit services	555	250
Cost of inventories recognised as an expense	–	14,964
Depreciation of property, plant and equipment	396	93
Amortisation of intangible assets	–	2
Minimum lease payments in respect of operating lease of:		
– Premises	522	898
– Internet hardware and software	–	279
– Plant, machinery and office equipment	6	6
	<u>6</u>	<u>6</u>

## 9. DIVIDEND

No dividends were paid, declared or proposed for the ordinary shareholders of the Company during the six months ended 30 June 2016 (six months ended 30 June 2015: Nil). The directors of the Company (the “**Directors**”) have determined that no dividend will be paid in respect of the interim period.

## 10. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>HKD'000</b>	HKD'000
	<b>(Unaudited)</b>	(Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<b><u>16,719</u></b>	<u>5,957</u>
	<b>Six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>'000</b>	'000
	<b>(Unaudited)</b>	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b><u>5,777,588</u></b>	<u>3,311,576</u>

The computation of diluted loss per share for the six months ended 30 June 2016 and 2015 does not assume the exercise of the Company's outstanding share options since it would result in a decrease in the loss per share.

## 11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 June 2016, the Group paid approximately of HKD2,000 for the acquisition of property, plant and equipment (six months ended 30 June 2015: HKD127,000).

The fair value of the Group's investment property at the end of the reporting period have been arrived at on the basis of a valuation carried out by DTZ Cushman & Wakefield Limited, independent qualified professional valuers not connected to the Company. The valuation using direct comparison approach was arrived at by reference to market evidence of recent transaction prices for similar properties in the similar locations and conditions if such information is available. No change in fair value of investment property has been recognised in profit or loss for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil). At 30 June 2016, the Group's investment property has been pledged to secure the bank borrowings granted to the Group.

## 12. TRADE AND OTHER RECEIVABLES/LOAN AND INTEREST RECEIVABLES

		<b>30 June 2016</b>	31 December 2015
	<i>Notes</i>	<b><i>HKD'000</i></b>	<b><i>HKD'000</i></b>
		<b>(Unaudited)</b>	(Audited)
Trade receivables	<i>(i)</i>	–	24,954
Receivable from Ease Faith Limited	<i>(ii)</i>	<b>17,616</b>	17,616
<i>Less: allowance of doubtful debts</i>		<b>(17,616)</b>	(17,616)
		–	–
Other receivables, deposits and prepayments		<b>35,357</b>	3,729
Total trade and other receivables		<b>35,357</b>	28,683
Loan and interest receivables:	<i>(iii)</i>		
– Loan receivables		<b>18,000</b>	12,000
– Interest receivables		<b>342</b>	20
		<b>18,342</b>	12,020

*Notes:*

### (i) Trade receivables

Trade receivables at the end of the reporting period comprise amounts receivable from the sales of goods supplied to customers. No interest is charged on the trade receivables.

During the six months ended 30 June 2016, the Group generally allows an average credit period of 120 days (31 December 2015: 120 days) to its customers. The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	<b>30 June 2016 HKD'000 (Unaudited)</b>	31 December 2015 HKD'000 (Audited)
31 – 60 days	–	16,210
91 – 120 days	–	8,744
	<hr/>	<hr/>
	<b>–</b>	<b>24,954</b>
	<hr/> <hr/>	<hr/> <hr/>

**(ii) Receivable from Ease Faith Limited (“Ease Faith”)**

Following the suspension of the position, functions and duties of Mr. He Jianhong (“**Mr. He**”) with effective from 27 January 2014, the Directors conducted reviews of the major projects and transactions of the Group. During the course of the internal review (the “**Internal Review**”), the Company noted that, Great Rich Trading Limited (“**Great Rich**”), a wholly-owned subsidiary of the Company, entered into two sales contracts with Ease Faith to purchase raw materials for the purpose of trading (the “**Sales Contracts**”) and paid a deposit of approximately HKD17,616,000 (the “**Receivable**”). Subsequently, Ease Faith failed to deliver the raw materials to Great Rich.

On 25 March 2014, Great Rich issued a writ of summons in the High Court of The Hong Kong Special Administrative Region as the plaintiff claiming against Ease Faith, the supplier, as the defendant, for breach of the Sales Contracts or alternatively, money had and received. The representatives of the Group had taken part in the mediation with Ease Faith. The Directors consider that the possibility of Great Rich to recover the outstanding Receivable from Ease Faith is remote. Therefore, impairment loss of approximately HKD17,616,000 has been recognised during the year ended 31 December 2015. Details are also set out in Note 14(b) to the condensed consolidated financial statements.

**(iii) Loan and interest receivables**

The loan receivables are unsecured, bear fixed interest rates ranging from 8% to 10% per annum (2015: 1.5%) and repayable according to the respective terms of the loan agreements.

The maturity profile of these loan and interest receivables, net of impairment losses recognised, at the end of the reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	<b>30 June 2016 HKD'000 (Unaudited)</b>	31 December 2015 HKD'000 (Audited)
0 – 60 days	<b>336</b>	12,020
61 – 120 days	<b>14,006</b>	–
121 – 360 days	<b>4,000</b>	–
	<b>18,342</b>	12,020

### 13. SHARE CAPITAL

	<b>Number of ordinary shares (Note a) (Unaudited)</b>	<b>Number of convertible preference shares (Unaudited)</b>	<b>Amount HKD'000 (Unaudited)</b>
Ordinary shares of HKD0.001 each			
Authorised:			
At 31 December 2015 and 30 June 2016	<u>249,480,000,000</u>	<u>520,000,000</u>	<u>250,000</u>
Issued and fully issued:			
At 1 January 2015 (Audited)	3,285,487,998	–	3,285
Exercise of share options (Note b)	236,100,000	–	237
Issuance of shares upon placing (Note c)	<u>2,256,000,000</u>	<u>–</u>	<u>2,256</u>
At 31 December 2015 (Audited) and 30 June 2016 (Unaudited)	<u><b>5,777,587,998</b></u>	<u><b>–</b></u>	<u><b>5,778</b></u>



*Notes:*

- a) All the ordinary shares which were issued by the Company rank pari passu with each other in all respects.
- b) On 10 June 2015, 236,100,000 share options were exercised. The proceeds from the exercise of share option are approximately HKD29 million.
- c) On 26 June 2015, the Company entered into a placing agreement with Skyway Securities Investment Limited (the “**Skyway Agent**”), pursuant to which the Company has conditionally agreed to place, through the Skyway Agent, on a best effort basis, a maximum of 656,000,000 placing shares at a placing price of HKD0.26 per placing share. The gross proceeds from the placing are approximately HKD170.6 million. The net proceeds after deducting the placing commission and other related expenses was approximately HKD165 million. The completion of the placing took place on 17 July 2015. Further details of the placing are set out in the announcement of the Company dated 26 June 2015 and 17 July 2015 respectively.

On 22 September 2015, the Company and the Skyway Agent entered into (i) placing agreement under general mandate, pursuant to which the Company has conditionally agreed to place, through the Skyway Agent, on a best effort basis, a maximum of 700,000,000 placing shares at a placing price of HKD0.135 per placing share (the “**GM Placing**”); (ii) placing agreement under specific mandate, pursuant to which the Company has conditionally agreed to place, through the Skyway Agent, on a best effort basis, a maximum of 900,000,000 placing shares at a placing price of HKD0.135 per placing share (the “**SM Placing**”). The completion of the GM Placing and the SM Placing took place on 22 October 2015 and 11 December 2015 respectively. The aggregated gross proceeds from the GM Placing and the SM Placing are approximately HKD216 million. The net proceeds after deducting the placing commissions and other related expenses from the GM Placing and the SM Placing were approximately HKD208 million. Further details of the GM Placing and the SM Placing are set out in the announcement of the Company dated 22 September 2015, 22 October 2015, 17 November 2015 and 11 December 2015, respectively.

#### **14. LITIGATIONS AND CONTINGENCIES**

**a) The alleged guarantee and the claim**

In December 2013, the Board received demand letter from alleged creditors of two companies, requesting the Company, being the alleged guarantor of debts in the total sum of approximately RMB842 million owed by two companies (the “**Alleged Creditors**”) unknown to the Company (the “**Alleged Guarantees**”), to settle the alleged debts on or before 11 December 2013, and forewarning that, failing which, the Alleged Creditors would take legal action against the Company.

On 14 January 2014, the Company received a writ of summons and statement of claim issued by 廣東省金屬回收公司 (Guangdong Metal Recycling Corporation\*) (“GMRC”), one of the two Alleged Creditors in relation to the Alleged Guarantees, against: (i) Able Success Asia Limited (“Able Success”) as 1st defendant; (ii) Mr. He as the 2nd defendant; and (iii) the Company as the 3rd defendant, claiming an aggregate sum of approximately RMB644 million (the “Claim”).

As disclosed in the announcement of the Company dated 25 April 2016, the High Court action in relation to the Claim by GMRC against the Company has been discontinued.

Therefore, the Directors are of the view that the Claim by GMRC will not have material adverse impact on the overall business operation and financial position of the Group.

**b) Disputes for receivables from Ease Faith**

As detailed in Note 12(ii) to the condensed consolidated financial statements, Great Rich issued a writ of summons in the High Court of The Hong Kong Special Administrative Region as the plaintiff claiming against Ease Faith, the supplier in the Sales Contracts as the defendant, for breach of the Sales Contracts or unjust enrichment on money had and received.

After taking legal advice from the legal adviser, the Board is of the view that Great Rich has a reasonable chance on its claims against Ease Faith. However, after the representatives of the Group had taken part in mediation with Ease Faith during the year ended 31 December 2015, the Directors consider that the possibility of Great Rich recovering the outstanding Receivable from Ease Faith is remote. Therefore, impairment loss of approximately HKD17,616,000 has been recognised during the year ended 31 December 2015.

**15. EVENTS AFTER THE END OF THE REPORTING PERIOD**

**(i) Completion of acquisition of the entire equity interests of the Target Company**

Pursuant to the Company’s announcement dated 11 July 2016 and with reference to the Company’s announcement dated 2 February 2016, the acquisition of the entire equity interests of the Target Company has been completed on 11 July 2016 and 640,000,000 ordinary shares of the Company and the promissory notes carry interest rate at 2% per annum amounting to HKD5,000,000 have been allotted and issued to the Vendor on the same date, 11 July 2016, in accordance with the terms of the sale and purchase agreement.

**(ii) Completion of disposal of the entire equity interests of the Disposal Company**

Pursuant to the Company’s announcement dated 15 July 2016 and with reference to the Company’s announcement dated 4 March 2016, the disposal of the entire equity interests of the Disposal Company has been completed on 15 July 2016 and 1,300,000,000 ordinary shares of Skyway Securities Group Limited has been allotted and issued by Skyway Securities Group Limited to the Company and the promissory notes carry interest rate at 2% per annum amounting to HKD29,000,000 has been issued by Gold Mission on the same date, 15 July 2016, in accordance with the terms of the sale and purchase agreement.

\* For identification purpose only

## **EXTRACT OF REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following is an extract of the Report on review of the condensed consolidated financial statements on the Group for the six months ended 30 June 2016 which has included basis for qualified conclusion:

### **BASIS FOR QUALIFIED CONCLUSION**

#### **Opening balances and corresponding figures**

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2015 dated 21 March 2016 (the “**2015 Financial Statements**”), which forms the basis for the corresponding figures presented in the current period’s condensed consolidated statement of financial position and related explanatory notes, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit, details of which are set out in our audit report dated 21 March 2016. Any adjustments found to be necessary to the opening balances as at 1 January 2016 may affect the results and related disclosures in the notes to the condensed consolidated financial statements of the Group for the six months ended 30 June 2016. The comparative figures shown in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2015, the condensed consolidated statement of financial position as at 31 December 2015 and related explanatory notes may not be comparable with the figures for the current period.

#### **Balance of the amount due to Able Success Asia Limited (“Able Success”)**

At 30 June 2016, included in other payable is a balance of approximately HKD15,264,000 representing amount due to the former holding company, Able Success, a company incorporated in the British Virgin Islands with limited liability, and its entire issued share capital is beneficially owned by Mr. He Jianhong (“**Mr. He**”), who is the former chairman and executive director of the Company. Had we been able to complete our review of other payables, matters might have come to our attention indicating that adjustments might be necessary to the condensed consolidated financial statements.

### **QUALIFIED CONCLUSION**

Except for the adjustments to the condensed consolidated financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with HKAS 34.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS AND FINANCIAL REVIEW**

The Company is an investment holding company. The Group is principally engaged in (i) trading business and related services; (ii) securities trading and investment; (iii) provision of financing services; and (iv) investment property in Hong Kong.

In regard to the operational front, the Group recorded a revenue of approximately HKD3,461,000 for the Period, representing a decrease of 92.04% compared with the corresponding period of last year. The decrease in revenue was resulted from both the decrease in trading business and trading of listed securities.

The loss attributable to owners of the Company for the Period amounted to approximately HKD16,719,000, an increase of approximately HKD10,762,000 or 180.66% when compared to the net loss for the corresponding period of last year. Basic loss per ordinary share was approximately HKD0.29 cents for the Period (2015: HKD0.18 cents). Such a loss was mainly due to unrealised loss of investment at fair value through profit or loss of approximately HKD7,775,000, change in fair values of derivative financial instrument of approximately HKD3,415,000 and decrease in gross profit.

#### **Trading business and related services**

Due to continuous adverse market conditions and the low profit margin in the trading business, no revenue was generated from this business during the Period as compared with approximately HKD27,579,000 revenue generated in the previous corresponding period, as the Directors would like to concentrate on the businesses of provision of financing services and properties investment that yield a much higher profit margin. For the Period, the loss of approximately HKD298,000 (2015: HKD10,260,000) was recorded for the segment of trading business and related services.

#### **Treasury Business**

The treasury business includes securities trading and money lending business.

### ***Securities trading business***

The Group's securities trading portfolio comprised of securities listed on The Stock Exchange of Hong Kong Limited during the Period. The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. For the Period, the revenue, which included dividend income on investment in listed equity securities, from securities trading and investment segment decreased to approximately HKD334,000 (2015: HKD15,513,000) as the Group did not realise any gain or loss on investment. As a whole, the segment loss of approximately HKD7,944,000 (2015: profit of approximately HKD10,905,000).

The Group made a net unrealised losses of investments at fair value through profit or loss of approximately HKD7,775,000 (i.e. unrealised gains of approximately HKD2,939,000 and unrealised losses of approximately HKD10,714,000) (2015: approximately HKD4,450,000). Approximately 93.89% of the unrealised loss was attributable to the Group's investment in securities of China Soft Power Technology Holdings Limited ("**China Soft Power**").

China Soft Power is principally engaged in investment holding, trading and distribution of electronic and accessory products and other merchandise, financial investments and trading, money lending business, construction of submarine cable system and the research and development of integrated circuit technology, information and big data technology. The investment is held for medium to long term and the Directors hold positive views towards the prospects of China Soft Power.

As at 30 June 2016, the Group held an investment portfolio with market value of approximately HKD46,620,000 (2015: HKD6,732,000). At 30 June 2016, there was no investment held by the Group which value was more than 5% of the net assets of the Group.

### ***Money leading business***

A wholly-owned subsidiary of Group, Globally Finance Limited ("**Globally Finance**"), which held the Money Lenders Licence in Hong Kong since early of 2015, carried a money lending business in Hong Kong. In this Period, Globally Finance generated revenue with amount of approximately HKD427,000 (2015: HKD373,000) and a profit of approximately HKD392,000 (2015: HKD365,000) was recorded.

## Investment property

On 17 August 2015, Sky Eagle Global Limited (“**Sky Eagle**”), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Great Well Properties Limited (“**Great Well**”) pursuant to which Sky Eagle conditionally agreed to purchase and Great Well conditionally agreed to sell the entire interests in Metro Victor Limited (“**Metro Victor**”) for an aggregate consideration of HKD210,000,000 of which HKD110,000,000 was satisfied in cash and the remaining balance of HKD100,000,000 was satisfied by issuing the promissory notes carry interest rate at 2% per annum with a 2 year maturity to Great Well upon completion, Metro Victor is a company incorporated in Hong Kong and is principally engaged in property investment. The acquisition constitutes a very substantial acquisition (the “**VSA**”) on the part of the Company under Rule 14.06 of the Listing Rules. The VSA was completed in November 2015. The amount of HKD100,000,000 promissory note was fully settled during last year. For more information on the VSA, please refer to the Company’s announcements and circular dated 17 August 2015 and 23 October 2015 respectively.

Metro Victor is currently holding a property located at No. 2 Lincoln Road, Kowloon, Hong Kong. The details of the investment property are as follows:

<b>Location</b>	<b>Group interest</b>	<b>Category of lease</b>	<b>Use</b>
No. 2 Lincoln Road, Kowloon, Hong Kong (New Kowloon Island Lot No. 705)	100%	Medium term	Residential

The Directors considered that the acquisition of Metro Victor represents an investment opportunity to participate in Hong Kong property investment market and the tenancy agreement will provide stable income for the Group.

While the Group has only acquired Metro Victor for a relatively short span of time, it is noted that the property market in Hong Kong has become volatile since completion of the acquisition. With the announcement of increase of interest rate by the United States of America in December 2015, the property market in Hong Kong is subject to uncertainties and becomes volatile in light of the contemplation of increase in interest rate in Hong Kong. The Centa-City Index shows a decrease trend since November 2015 from approximately 141 in November 2015 to approximately 132. As such, the Company entered into the sale and purchase agreement with Gold Mission Limited (“**Gold Mission**”) in relation to the disposal of the entire interests in Sky Eagle and all obligations, liabilities and debts owing or incurred by Sky Eagle to the Company on 4 March 2016 (the “**Disposal**”) for an aggregate consideration of HKD218,000,000, of which HKD7,000,000 will be satisfied in cash, and the remaining balance of HKD211,000,000 shall be satisfied by the allotment and issue of the 1,300,000,000 ordinary shares of Skyway Securities Group Limited amounting to HKD182,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD29,000,000 by Gold Mission upon completion. The Directors are of the view that the Disposal will be a prudent decision to avoid putting all eggs in the same basket. The Disposal was completed in July 2016. For more information of the Disposal, please refer to the Company’s announcement and circular dated 4 March 2016 and 21 June 2016 respectively.

The Company considers that the Disposal is an opportunity for the Company to realize its investment in Sky Eagle and Metro Victor. Furthermore, taking into consideration of the gain from the Disposal, the Company considers it can reutilise the proceeds towards other appropriate investment opportunities for better return for its Shareholders.

On 2 February 2016, Skypark Developments Limited (“**Skypark**”), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Eternal Vantage Investment Limited (the “**Vender**”) pursuant to which Skypark conditionally agreed to purchase and the Vendor agreed to sell the entire interests in Chinacorp (HK) Investment Limited (“**Chinacorp**”) for an aggregate consideration of HKD117,000,000, of which HKD32,000,000 will be satisfied in cash and the remaining balance of HKD85,000,000 shall be satisfied by the allotment and issue of 640,000,000 ordinary shares of the Company amounting to HKD80,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD5,000,000 to the Vendor upon completion. Chinacorp is a company incorporated in Hong Kong and is principally engaged in property investment. The acquisition constitutes a major transaction (the “**Major Transaction**”) on the part of the Company under Rule 14 of the Listing Rules. The acquisition was completed in July 2016. For more information of the acquisition, please refer to the Company’s announcement and circular dated 2 February 2016 and 31 May 2016 respectively.

Chinacorp is currently holding a property located at No. 19, Cumberland Road, Kowloon, Hong Kong. The Vendor will deliver the property at vacant possession upon completion. It is the intention of the Group to lease out the property after completion, which will allow the Group to have stable rental income.

During the Period, the Group recorded a rental income of approximately HKD2,700,000 (2015: Nil).

### **Interests in associates – Securities brokerage**

The Group invested in securities brokerage business in Hong Kong through investment in associates, Central Wealth Securities Investment Limited (“**CWSI**”) and Central Wealth Futures Limited (“**CWF**”). CWSI and CWF are incorporated in Hong Kong with limited liability and are wholly owned by Instant Achieve Limited (“**IAL**”), which in turn is owned as to 34% by the Group. IAL, CWSI and CWF (collectively referred to “**Instant Achieve Group**”) are treated as associated companies of the Group and the Company adopted equity accounting method in preparing the consolidated financial statements of the Group.

During the Period, Instant Achieve Group recorded a profit of approximately HKD2,139,000 (from the period of 15 May 2015 to 30 June 2015: loss of HKD71,800) and the share of profit of associated companies by the Group was approximately HKD727,000 (from the period of 15 May 2015 to 30 June 2015: Nil).

CWSI has obtained the Stock Exchange Trading Right from the Stock Exchange and licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities.

CWF has obtained the Futures Exchange Trading right from the Hong Kong Futures Exchange Limited and the licenses from the Securities and Futures Commission to carry out Type 2 (Dealing in futures contracts) and Type 5 (advising on futures contracts) regulated activities.



The Directors are optimistic to the securities market development in Hong Kong and consider that there will be business prospects in CWSI and CWF. CWSI commences its business in September 2015 and faced substantial funding requirements for its operations. CWSI currently provides brokerage services to its clients for trading in securities listed on the Stock Exchange and margin and IPO financings to its clients and will further expand to other related area in future. On 30 September 2015, Globally Finance granted a loan facility (“**Loan Facility**”) with the call option (“**Call Option**”) in the amount up to HKD29,000,000 to IAL and increased the principal amount of the Loan Facility to HKD90,000,000 on 27 October 2015 subsequently. As at 30 June 2016, Globally Finance provided HKD90,000,000 of loan to financing IAL. For more information of the Loan Facility and Call Option, please refer to the Company’s announcements dated 30 September 2015 and 27 October 2015. The grant of Loan Facility to IAL with the Call Option will allow the Group to have a stake in CWSI and CWF but will also limit the risks of the Group as the Group will be entitled to recover the principal amount of the Loan(s) in the unlikely event that the business of CWSI and CWF would not perform as expected.

The fair value loss arising from the Call Option granted from the shareholder of IAL to a subsidiary of the Company to acquire 66% issued share capital of IAL of approximately HKD3,415,000 (2015: Nil) was recorded through profit and loss from Call Option during the Period.

## **LIQUIDITY, FINANCIAL, RESOURCES AND FUNDING**

The Group had total cash and bank balances of approximately HKD22,712,000 as at 30 June 2016 (31 December 2015: HKD98,114,000). The gearing ratio, which is calculated as bank borrowings divided by total equity, was 44.46% as at 30 June 2016 (31 December 2015: 43.61%). Net assets were approximately HKD412,496,000 (31 December 2015: HKD429,215,000).

The Group recorded total current assets of approximately HKD214,908,000 as at 30 June 2016 (31 December 2015: HKD230,841,000) and total current liabilities of approximately HKD210,906,000 (31 December 2015: HKD209,787,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.02 as at 30 June 2016 (31 December 2015: 1.10).

The Group's finance costs for the Period under review was approximately HKD2,452,000 (2015: HKD16,000) and was mainly related to interests paid on the bank borrowings. The increase in finance costs was due to bank borrowings included in Metro Victor which was acquired by the Group in November 2015.

### **Foreign Currency Management**

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi.

The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary.

### **Pledge of Assets**

As at 30 June 2016, Metro Victor had pledged its investment property with a carrying amount of HKD403,000,000 to secure against the bank borrowings granted to Metro Victor (31 December 2015: HKD403,000,000).

## **LITIGATIONS AND CONTINGENCIES**

Details of litigations and contingencies are set out in Note 14 to the condensed consolidated financial statement.

## **EMPLOYEES AND REMUNERATION POLICIES**

At 30 June 2016, the Group had 11 employees including Directors (31 December 2015: 11) situated in the PRC and Hong Kong. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the Period, the total staff costs including remuneration of Directors and chief executive amounted to approximately HKD2,508,000 (2015: HKD3,823,000).

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the Period (2015: Nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in Note 15, the Group had no other material event after the reporting period.

## **UPDATE REGARDING THE LATEST DEVELOPMENT OF THE RETAKING CONTROL OF THE DECONSOLIDATED SUBSIDIARIES**

The Board wishes to provide an update regarding the latest development of the legal action of the retaking control of the deconsolidation of two subsidiaries the Company since the issuance of the Company's annual report for the year ended 31 December 2014. Reference is made to the annual report of the Company for the years ended 31 December 2013 and 31 December 2014 respectively in relation to deconsolidation of two subsidiaries of the Company, Bloxworth Enterprises Limited (“**Bloxworth**”) and Shanxi Zhanpen Metal Products Co., Ltd (山西展鵬金屬製品有限公司) (“**Zhanpen**”).

During the year ended 31 December 2015, the Company was still unable to access the books and records of Bloxworth and Zhanpen. The Company has engaged a notary public to attest and authenticate the relevant documents for the removal and appointment of directors of Zhanpen for the purpose of litigation. During the second half of the year ended 31 December 2015, the writ of summons and relevant documents had been filed to the People's court of Fenyang county (汾陽市人民法院) (the “**Court**”) and a case acceptance notice (受理案件通知書) was received by the Company. The Court had issued a summons (傳票) for a hearing on 2 March 2016. Up to the date of this announcement, the Court not yet issued any judgment.

## **PROSPECTS**

During the Period, the management of the Company has directed its resources on exploring opportunities in film industry, investment property and treasury business including securities trading and money lending business so as to create long-term value for its shareholders. The Board believes that the business performance of the Group will be further improved.

On 12 July 2016, China Wisdom Group Limited (“**China Wisdom**”), a wholly owned subsidiary of the company, entered into an agreement (the “**Agreement**”) with an independent third party in relation to the investment by China Wisdom in a film project (the “**Film**”).

The Company is confident in the future prospect of the film industry in the PRC. Films involve substantial investments and the film market is a huge market. The entering into of the Agreement will allow the Group to have a stake in the Film as a passive investor whilst the Group needs not to invest the whole Film project on its own account or to involve in the production of the Film. This will reduce the risk exposure of the Group on one hand but will allow the Group to enjoy reasonable financial return from the Film. The Company will continue to look for similar opportunities in the film and media markets to develop its film related business with an aim to maximize the return for its shareholders.

While the recent property market in Hong Kong is subject to fluctuations as a result of the uncertainty in the global economic environment, the Board considers that there remain investment opportunities existing in the market and the local bank interest rate remains at a relatively low level. The Board will monitor the investment property portfolio of the Group and also the market development and will reallocate resources of the Group in order to maximize the return to the shareholders.

In respect of the securities trading, the Group is optimistic on the economic growth in China and believe that Hong Kong would also be benefited. Therefore, it is expected that the Group will continue to invest in the Hong Kong equity market by enhancing the use of the surplus working capital and will continue to seek attractive investment opportunities with the aim of deriving dividend income and/or gain from trading of listed securities.

In respect of the money lending business, due to the mature of Hong Kong financing market, the demand of loan is expected to increase substantially. The Board believes that the money lending business will give the Group an opportunity to obtain a higher return for the fund under the current low interest rate environment and will generate satisfactory revenue for the Group.

In respect of the trading business, the Group will continue to explore this trading business in order to diversify the products portfolio.

The Group is optimistic that the trading business and treasury business (i.e. trading of listed securities and money lending) will have positive gross profit and will generate positive cash flow from operations.

Other than the existing business as named hereinabove which is on an on-going basis, the management will explore other business opportunities to diversify its trading business portfolio with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

## **CORPORATE GOVERNANCE**

The Company has complied with all code provisions of the Corporate Governance Code (the “**CG Code**”) throughout the Period as set out in Appendix 14 of the Rule Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) except for the following deviations:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer (“**CEO**”) should be separate people and should not be performed by the same individual. The roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Siu Yun Fat from 24 November 2015. The Board considers that this structure will not impair the balance of the power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the roles of chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. The Board understands the importance of complying with the code provision A.2.1 of the Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate person will be nominated to take up the different roles of chairman and chief executive officer.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in article 108A of the Company's articles of association which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. The reason for the deviation is that the Company does not believe that arbitrary limits on term of non-executive directorship are appropriate given that Directors ought to be committed to representing the long time interest of the Company's shareholders and the retirement and re-election requirements of independent non-executive Directors have given the Company's shareholders the right to approve continuation of independent non-executive Directors' offices.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code since their appointment as a Director during the Period.

## **AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS**

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2016 had been reviewed by the Audit Committee of the Company before they were duly approved by the Board under the recommendation of the Audit Committee and the Company's auditor, Asian Alliance (HK) CPA Company Limited, 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 INFORMATION ON WEBSITES**

This results announcement is available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.centralwealth.com.hk](http://www.centralwealth.com.hk). The interim report for the six months ended 30 June 2016 containing all the information required by Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

By order of the Board  
**Central Wealth Financial Group Limited**  
**Siu Yun Fat**  
*Chairman*

Hong Kong, 30 August 2016

*As of the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Siu Yun Fat, Mr. Lau Fai Lawrence, Mr. Yang Yang and Mr. Yu Qingrui; and (ii) three independent non-executive Directors, namely Mr. Chan Yee Por, Simon, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah.*