



Cloud Investment Holdings Limited
雲信投資控股有限公司

(formerly known as China Bio Cassava Holdings Limited 中國生物資源控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8129)

Third Quarterly Report
2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, 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 report.

This report, for which the directors of Cloud Investment Holdings Limited (formerly known as “China Bio Cassava Holdings Limited”, the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

FINANCIAL HIGHLIGHTS

The Group recorded turnover of HK\$5,929,000 for the nine months ended 30 September 2017, representing an increase of 15.1% from the corresponding period of previous year (nine months ended 30 September 2016: HK\$5,149,000).

The Group recorded loan interest income of HK\$2,363,000 from the provision of financing services for the nine months ended 30 September 2017, representing an increase of 2.3% from the corresponding period of previous year (nine months ended 30 September 2016: HK\$2,309,000).

The Group recorded revenue of HK\$1,068,000 from sales and licensing of software and embedded systems through online platform for the nine months ended 30 September 2017, representing an increase 0.3% from the corresponding period of previous year (nine months ended 30 September 2016: HK\$1,065,000).

Packaged software sales for the nine months ended 30 September 2017 was HK\$1,509,000, representing a decrease of 15.0% from the corresponding period of previous year (nine months ended 30 September 2016: HK\$1,775,000).

The Group commenced the provision of professional financial public relations services business since July 2017 and recorded revenue of HK\$859,000 for the nine months ended 30 September 2017 (nine months ended 30 September 2016: Nil).

The Group's total operating expenses for the nine months ended 30 September 2017 totalled HK\$10,123,000 representing a decrease of 15.1% as compared to nine months ended 30 September 2016 (nine months ended 30 September 2016: HK\$11,930,000).

The Group recorded a net loss attributable to owners of the Company for the nine months ended 30 September 2017 of HK\$3,633,000 (nine months ended 30 September 2016: HK\$6,849,000). Loss per share attributable to the owners of the Company for the nine months ended 30 September 2017 was HK0.13 cent (loss per share for the nine months ended 30 September 2016: HK0.28 cent).

The unaudited consolidated results for the nine months ended 30 September 2017 and the comparison with last year are set out in the accompanying table.

NINE MONTHS RESULTS (UNAUDITED)

The board (the "Board") of directors (the "Directors") of Cloud Investment Holdings Limited (formerly known as "China Bio Cassava Holdings Limited", the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 30 September 2017, together with the unaudited comparative figures for the corresponding periods in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and nine months ended 30 September 2017

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	3				
- Interest Income		1,285	622	2,363	2,309
- Sales and licensing of software and embedded systems and provision of IT services		1,011	914	2,707	2,840
- Financial public relations service income		859	-	859	-
		3,155	1,536	5,929	5,149
Cost of sales		(71)	(23)	(106)	(71)
Gross profit		3,084	1,513	5,823	5,078
Other income	4	23	1	878	3
Selling and distribution expenses		(424)	(331)	(612)	(997)
Research and development expenses		(374)	(373)	(1,113)	(1,108)
General and administrative expenses		(2,917)	(4,527)	(7,603)	(9,686)
Other operating expenses		(787)	-	(787)	(139)
Finance costs		(8)	-	(8)	-
Operating loss		(1,403)	(3,717)	(3,422)	(6,849)
Share of loss of an associate		(282)	-	(211)	-
Loss before taxation	5	(1,685)	(3,717)	(3,633)	(6,849)
Income tax expense	6	-	-	-	-
Loss for the period		(1,685)	(3,717)	(3,633)	(6,849)
Loss per share for the period	7				
- Basic (HK cent)		(0.05)	(0.15)	(0.13)	(0.28)
- Diluted (HK cent)		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2017

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(1,685)	(3,717)	(3,633)	(6,849)
Other comprehensive income (expense), net of income tax				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	27	–	77	2
Decrease in fair value of available-for- sale investments	(469)	–	(781)	–
Reclassification of change in fair value of available-for-sale investments to profit or loss	781	–	781	–
Other comprehensive income for the period	339	–	77	2
Total comprehensive expense for the period	<u>(1,346)</u>	<u>(3,717)</u>	<u>(3,556)</u>	<u>(6,847)</u>
Total comprehensive expense attributable to owners of the Company	<u>(1,346)</u>	<u>(3,717)</u>	<u>(3,556)</u>	<u>(6,847)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Reserves									
	Share capital HK\$'000	Share premium HK\$'000	Share options reserve HK\$'000	Capital redemption reserve HK\$'000	Warrant reserve HK\$'000	Reorganisation reserve HK\$'000 (Note c)	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Total HK\$'000
At 1 January 2016 (Audited)	24,822	163,243	65,784	37	6,952	3,000	(237)	(231,875)	6,904	31,726
Loss for the period	-	-	-	-	-	-	-	(6,849)	(6,849)	(6,849)
Other comprehensive income for the period	-	-	-	-	-	-	2	-	2	2
Total comprehensive expense for the period	-	-	-	-	-	-	2	(6,849)	(6,847)	(6,847)
Lapse of warrants (Note a)	-	-	-	-	(6,952)	-	-	6,952	-	-
Lapsed of share options (Note b)	-	-	(152)	-	-	-	-	152	-	-
At 30 September 2016 (Unaudited)	<u>24,822</u>	<u>163,243</u>	<u>65,632</u>	<u>37</u>	<u>-</u>	<u>3,000</u>	<u>(235)</u>	<u>(231,620)</u>	<u>57</u>	<u>24,879</u>
At 1 January 2017 (Audited)	24,822	163,243	46,670	37	-	3,000	(301)	(212,926)	(277)	24,545
Loss for the period	-	-	-	-	-	-	-	(3,633)	(3,633)	(3,633)
Other comprehensive income for the period	-	-	-	-	-	-	77	-	77	77
Total comprehensive expense for the period	-	-	-	-	-	-	77	(3,633)	(3,556)	(3,556)
Lapsed of share options (Note b)	-	-	(29,864)	-	-	-	-	29,864	-	-
Issue of shares upon placing, net of expense	2,400	21,238	-	-	-	-	-	-	21,238	23,638
Issue of shares upon placing, net of expense	2,500	21,752	-	-	-	-	-	-	21,752	24,252
At 30 September 2017 (Unaudited)	<u>29,722</u>	<u>206,233</u>	<u>16,806</u>	<u>37</u>	<u>-</u>	<u>3,000</u>	<u>(224)</u>	<u>(186,695)</u>	<u>39,157</u>	<u>68,879</u>

Notes:

- The subscription rights attached to the unlisted warrants of the Company to subscribe for new shares have expired on 21 May 2016. No warrants had been exercised and all 496,180,000 warrants were lapsed and the warrant reserve of approximately HK\$6,952,000 had been credited to the accumulated losses during the six months ended 30 June 2016.
- During the nine months ended 30 September 2017, the Group reversed the share options reserve of approximately HK\$29,864,000 (nine months ended 30 September 2016: HK\$152,000) upon the lapse of 177,840,000 (nine months ended 30 September 2016: 1,125,000) share options.
- The amount represented the reserve arising from group reorganisation of the Company during the year ended 31 December 2000.

Notes:

1. GENERAL INFORMATION

The shares of the Company are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the computer software and embedded systems development, sales and licensing of the software and systems, the provision of financing services and the provision of financial public relations services. The Group discontinued its operations in the development of biotech renewable energy during the first quarter of 2017 and in July 2017, the Group commenced the provision of financial public relations services business. Save for this, there were no significant changes in the Group’s operations during the nine months ended 30 September 2017.

The unaudited condensed consolidated third quarterly financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 have not been audited by the Company’s auditors, but have been reviewed by the audit committee of the Company (the “Audit Committee”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 include all applicable disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities of GEM of the Stock Exchange (“GEM Listing Rules”).

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies and basis of preparation adopted for the preparation of the unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 are consistent with those adopted by the Group in its audited consolidated financial statements for the year ended 31 December 2016, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the “New and Revised HKFRSs”) (which include all HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The application of the New and Revised HKFRSs has had no material effect on the unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 and/or on the disclosures set out in these unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the nine months ended 30 September 2017.

The Group has not applied any new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

i. Revenue

Revenue represents the amounts received and receivables that are derived from sales of goods to customers, interest income from provision of financing services and service income from provision of financial public relations during the three months and nine months ended 30 September 2017.

An analysis of the Group's revenue by major products and services for the three months and nine months ended 30 September 2017 are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Sales and licensing of software and embedded systems through packaged software	511	569	1,509	1,775
Sales and licensing of software and embedded systems through online platform	370	345	1,068	1,065
Interest income	1,285	622	2,363	2,309
Financial public relations service income	859	-	859	-
Other services income	130	-	130	-
	<u>3,155</u>	<u>1,536</u>	<u>5,929</u>	<u>5,149</u>

ii. Segment information

Information reported to the Board, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance, focus on types of goods or services delivered or provided.

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

- (a) Sales and licensing of software and embedded systems and provision of IT services
- (b) Provision of financing services
- (c) Provision of financial public relations services

a. Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the nine months ended 30 September 2017:

	Nine months ended 30 September							
	Sales and licensing of software and embedded systems and provision of IT services		Provision of financing services		Provision of financial public relations services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue								
External sales	<u>2,707</u>	<u>2,840</u>	<u>2,363</u>	<u>2,309</u>	<u>859</u>	<u>-</u>	<u>5,929</u>	<u>5,149</u>
Result								
Segment results	<u>126</u>	<u>118</u>	<u>1,118</u>	<u>(1,105)</u>	<u>471</u>	<u>-</u>	<u>1,715</u>	<u>(987)</u>
Other income							31	3
Write back of other payables and accrued expenses							847	-
Other operating expenses							(787)	(139)
Unallocated expenses							<u>(5,228)</u>	<u>(5,726)</u>
Operating loss							(3,422)	(6,849)
Share of loss of an associate							<u>(211)</u>	<u>-</u>
Loss before income tax							<u><u>(3,633)</u></u>	<u><u>(6,849)</u></u>

Revenue reported above represents revenue generated from external customers.

There were no inter-segment sales during the nine months ended 30 September 2017 and 30 September 2016.

Segment results represented the profit earned by or loss from each segment without allocation of central administration costs, directors' emoluments, interest income and other items not directly related to the relevant segments. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

b. Geographical information

For the nine months ended 30 September 2017 and 30 September 2016, all of the Group's revenue and non-current assets are derived from customers and operations based in Hong Kong, and accordingly, no further analysis of the Group's geographical information is disclosed.

4. OTHER INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Bank interest income	7	1	19	3
Dividend income	12	-	12	-
Write back of other payables and accrued expenses	4	-	847	-
	<u>23</u>	<u>1</u>	<u>878</u>	<u>3</u>

5. LOSS BEFORE TAXATION

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Loss before taxation is arrived at after charging:				
Depreciation of property, plant and equipment	21	13	49	56
Reclassification of change in fair value of available-for-sale investments to profit or loss**	781	-	781	-
Loss on disposal of property, plant and equipment**	<u>6</u>	<u>-</u>	<u>6</u>	<u>139</u>

** included in other operating expenses

6. INCOME TAX EXPENSE

For the nine months ended 30 September 2017, no Hong Kong Profits Tax has been provided as the Group did not generate any assessable profits arising in Hong Kong or generate insignificant amount of assessable profits arising in Hong Kong after utilisation of the estimated tax losses brought forward to set off the estimated assessable profits (nine months ended 30 September 2016: Nil).

For the nine months ended 30 September 2017, no profits tax has been provided for the subsidiaries which are operating outside Hong Kong as these subsidiaries have not generated any assessable profits in the respective jurisdictions (nine months ended 30 September 2016: Nil).

7. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the unaudited consolidated loss for the three months and nine months ended 30 September 2017 attributable to the owners of the Company of approximately HK\$1,685,000 and HK\$3,633,000 respectively (three months and nine months ended 30 September 2016: HK\$3,717,000 and HK\$6,849,000 respectively) and the weighted average number of shares of 2,972,150,000 and 2,701,490,659 (three months and nine months ended 30 September 2016: 2,482,150,000) ordinary shares of the Company in issue during the respective periods.

Diluted loss per share for the three months and nine months ended 30 September 2017 and 30 September 2016 are not presented because the existence of the outstanding share options would have anti-dilutive effect on the basic loss per share.

8. DIVIDEND

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

BUSINESS REVIEW AND PROSPECTS

Overall performance

The consolidated turnover for the Company and its subsidiaries for the nine months ended 30 September 2017, amounted to HK\$5,929,000, representing an increase of 15.1% from the corresponding period of previous year. Loss attributable to owners of the Company for the nine months ended 30 September 2017 was HK\$3,633,000 (nine months ended 30 September 2016: HK\$6,849,000). The loss per share attributable to the owners of the Company for the nine months ended 30 September 2017 was HK0.13 cent (loss per share for the nine months ended 30 September 2016: HK0.28 cent).

The Group recorded loan interest income of HK\$2,363,000 from the provision of financing services for the nine months ended 30 September 2017, representing an increase of 2.3% from the corresponding period of previous year (nine months ended 30 September 2016: HK\$2,309,000). The average balance of loan and interest receivables for the nine months ended 30 September 2017 was HK\$21,168,000 (nine months ended 30 September 2016: HK\$21,104,000).

The Group recorded revenue of HK\$1,068,000 from sales and licensing of software and embedded systems through online platform for the nine months ended 30 September 2017, representing an increase 0.3% from the corresponding period of previous year (nine months ended 30 September 2016: HK\$1,065,000).

Packaged software sales for the nine months ended 30 September 2017 was HK\$1,509,000, representing a decrease of 15.0% from the corresponding period of previous year (nine months ended 30 September 2016: HK\$1,775,000).

The Group commenced the provision of professional financial public relations services business since July 2017 and recorded revenue of HK\$859,000 for the nine months ended 30 September 2017 (nine months ended 30 September 2016: Nil).

The Group's total operating expenses for the nine months ended 30 September 2017 totalled HK\$10,123,000 representing a decrease of 15.1% as compared to nine months ended 30 September 2016 (nine months ended 30 September 2016: HK\$11,930,000).

The performance of the Group's operations for the three months ended 30 September 2017 is encouraging that revenue is more than doubled and loss before taxation is declined by 35.6% when compared to the respective figures for the corresponding period in 2016. Loss before taxation for the nine months ended 30 September 2017 is reduced by half attributable to the better control of operating costs and the profitable income stream from the provision of financial public relations business.

Business development

The management of the Group has been actively exploring various ways to diversify the client base and loan portfolio of the Group aiming at further improving and strengthening the existing businesses of the Group. The Directors considered that the demand for money lending for loans has been increasing and have not foreseen any material adverse effect on the money lending market, the Company would allocate more resources contributed by the recent fund raising activities and the obtainments of external loan facilities from the third parties in second and third quarter of 2017 respectively in the investment of money lending business in order to enable the Group to maintain and expand the money lending business and to achieve considerable profit contributions as well as diversify the credit risk. On the other hand, the Group will also continue to expand the scale of provision of financial public relations business with the grasp of huge potential opportunities from the speedy pace of reform of the People's Republic of China ("PRC") enterprises and the lasting and healthy growth of interaction of the capital markets of Hong Kong and the PRC.

Events after the reporting period

On 28 September 2017, the Company as vendor entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Company agreed to sell and the Purchaser agreed to acquire the Sale Shares for a consideration of HK\$7,800,000. On 19 October 2017, all Conditions Precedent under the Sale and Purchase Agreement have been fulfilled and Completion took place on 19 October 2017. Following the Completion, the Company has ceased to hold any interests in the Target Company and the Target Company has ceased to be an associated company of the Company. Details of the above were disclosed in the announcements of the Company dated 28 September 2017 and 19 October 2017.

MAJOR CORPORATE EVENT

During the reporting period, the Company conducted the change of company name and the change of stock short names. Pursuant to the special resolution passed by the shareholders of the Company at the extraordinary general meeting of the Company held on 22 September 2017 and as certified by the Certificate of Incorporation on Change of Name issued by the Registry of Companies in the Cayman Islands on 27 September 2017, the change of English name of the Company to "Cloud Investment Holdings Limited" and the Chinese name to "雲信投資控股有限公司" came into effect from 27 September 2017. The Certificate of Registration of Alternation of the Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 1 November 2017, certifying the registration of the said new names of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from that date. With effect from 14 November 2017, the stock short name for trading in the Company's shares on the Stock Exchange has been changed to "CLOUD INV HOLD" in English and to "雲信投資控股" in Chinese.

ADVANCE TO AN ENTITY

Pursuant to Rule 17.15 of the GEM Listing Rules, a disclosure obligation arises when advance to an entity form the Company exceeds 8% of the total assets of the Company. As at 30 June 2017, the Company's total assets were approximately HK\$71,740,000. Pursuant to Rule 17.22 of the GEM Listing Rules, details of the advance which remained outstanding as at 30 September 2017 were set out below:

Loan Agreement A

Date of Agreement	: 8 June 2017
Lender	: Fortune Credit Limited ("FCL"), an indirect wholly-owned subsidiary of the Company
Borrower	: Customer A, an individual and a third party independent of the Company
Principal	: HK\$6,000,000
Interest rate	: 18% per annum
Term	: Six months
Repayment	: Save that the first quarterly payment of interest shall be deducted from the principal amount of the loan, Customer A shall pay the final balance amount of the principal amount of the loan together with any outstanding interest on the expiry of six months from the date on which the loan is made or any other later date as may be mutually agreed in writing by the Lender and the Customer A
Collateral	: Personal guarantee provided by Guarantor B

Loan Agreement B

Date of Agreement	: 29 June 2017
Lender	: FCL
Borrower	: Customer C and Customer D, each of them is an individual and a third party independent of the Company
Principal	: HK\$7,000,000
Interest rate	: 21% per annum
Term	: Twelve months
Repayment	: Both Customer C and Customer D shall pay the interest accrued on the loan on a monthly basis and shall repay the principal amount of the loan together with any outstanding interest accrued thereon on the due date of the loan
Collateral	: A third legal charge in respect of two properties located in Hong Kong

Loan Agreement C

Date of Agreement	: 10 July 2017
Lender	: FCL
Borrower	: Customer E, an individual and a third party independent of the Company
Principal	: HK\$6,300,000
Interest rate	: 23% per annum
Term	: Six months
Repayment	: Customer E shall pay the interest accrued on the loan on a monthly basis and shall repay the principal amount of the loan together with any outstanding interest accrued thereon on the due date of the loan
Collateral	: Personal guarantee provided by Guarantor F

Loan Agreement D

Date of Agreement	: 25 September 2017
Lender	: FCL
Borrower	: Customer G and Customer H, each of them is an individual and a third party independent of the Company
Principal	: HK\$10,500,000
Interest rate	: 16% per annum
Term	: Three years
Repayment	: Both Customer G and Customer H shall pay the interest accrued on the loan on a monthly basis and shall repay the principal amount of the loan together with any outstanding interest accrued thereon on the due date of the loan
Collateral	: A second legal charge in respect of a property located in Hong Kong

Loan Agreement E

Date of Agreement	: 30 September 2017
Lender	: FCL
Borrower	: Customer I, an individual and a third party independent of the Company
Principal	: HK\$10,000,000
Interest rate	: 16% per annum
Term	: Two years
Repayment	: Customer I shall pay the interest accrued on the loan on a monthly basis and shall repay the principal amount of the loan together with any outstanding interest accrued thereon on the due date of the loan

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

As at 30 September 2017, save for the interests of the Directors in share options as below, neither the Directors nor the chief executive of the Company had interests and/or short positions in the shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO")) which (i) are 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 and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

LONG POSITIONS IN UNDERLYING SHARES OF THE COMPANY

Share Option

As at 30 September 2017, there were a total of 3,400,000 outstanding share options of the Company granted to the Directors, details of which are summarised in the following table:

Directors	Date of grant	Options to subscribe for shares of the Company				Outstanding as at 30 September 2017	Option exercise period	Exercise price per share	Approximate percentage of shareholding
		Outstanding as at 1 January 2017	Granted during the period	Exercised during the period	Lapsed during the period				
Kwan Kin Chung (Note 2)	29/5/2007	4,000,000	-	-	(4,000,000)	-	29/5/2007 to 28/5/2017	HK\$0.450	-
	21/9/2011	1,250,000	-	-	(1,250,000)	-	21/9/2011 to 20/9/2021	HK\$0.172	-
	10/1/2014	1,200,000	-	-	(1,200,000)	-	10/1/2014 to 9/1/2024	HK\$0.147	-
Yu Huaguo (Note 3)	10/1/2014	1,200,000	-	-	(1,200,000)	-	10/1/2014 to 9/1/2024	HK\$0.147	-
Poon Yu Keung	10/1/2014	1,200,000	-	-	-	1,200,000	10/1/2014 to 9/1/2024	HK\$0.147	0.04%
Hung Ching Fung	10/1/2014	1,200,000	-	-	-	1,200,000	10/1/2014 to 9/1/2024	HK\$0.147	0.04%
Leung Lap Yan (Note 2)	29/5/2007	2,000,000	-	-	(2,000,000)	-	29/5/2007 to 28/5/2017	HK\$0.450	-
	21/9/2011	250,000	-	-	(250,000)	-	21/9/2011 to 20/9/2021	HK\$0.172	-
	10/1/2014	1,000,000	-	-	(1,000,000)	-	10/1/2014 to 9/1/2024	HK\$0.147	-
Chow Wing Tung	10/1/2014	1,000,000	-	-	-	1,000,000	10/1/2014 to 9/1/2024	HK\$0.147	0.03%
Total		<u>14,300,000</u>	<u>-</u>	<u>-</u>	<u>(10,900,000)</u>	<u>3,400,000</u>			

Notes:

- The option exercise period is commenced from the date of grant for ten years. The options may be exercised at any time within the option period provided that the options have been vested. As at 30 September 2017, all options have been vested.
- Mr. Kwan Kin Chung and Mr. Leung Lap Yan resigned as an executive director of the Company and a non-executive director of the Company respectively with effect from 31 May 2017.
- Mr. Yu Huaguo resigned as an executive director of the Company with effect from 10 April 2017.

Save as disclosed above, none of the Directors or the chief executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 30 September 2017.

SHARE OPTION SCHEMES

On 27 April 2007, a new share option scheme (the "New Share Option Scheme") was adopted by the shareholders of the Company and the share option scheme adopted by the Company on 30 April 2002 (the "Old Share Option Scheme") was terminated accordingly on the same date. No share option was outstanding under the Old Share Option Scheme.

As at 30 September 2017, options to subscribe for up to an aggregate of 240,490,000 shares of HK\$0.01 each had been granted by the Company under the New Share Option Scheme. Details of the share options which had been granted under the Share Option Scheme are as follows:

Category of participant	Date of grant	Options to subscribe for shares of the Company					Option exercise period	Exercise price per share
		Outstanding as at 1 January 2017	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2017		
Directors	29/5/2007	6,000,000	-	-	(6,000,000)	-	29/5/2007 to 28/5/2017	HK\$0.450
	21/9/2011	1,500,000	-	-	(1,500,000)	-	21/9/2011 to 20/9/2021	HK\$0.172
	10/1/2014	6,800,000	-	-	(3,400,000)	3,400,000	10/1/2014 to 9/1/2024	HK\$0.147
Employees other than the Directors	29/5/2007	2,000,000	-	-	(2,000,000)	-	29/5/2007 to 28/5/2017	HK\$0.450
	21/9/2011	750,000	-	-	(750,000)	-	21/9/2011 to 20/9/2021	HK\$0.172
	10/1/2014	1,000,000	-	-	(1,000,000)	-	10/1/2014 to 9/1/2024	HK\$0.147
Consultants	29/5/2007	163,190,000	-	-	(163,190,000)	-	29/5/2007 to 28/5/2017	HK\$0.450
	10/1/2014	237,090,000	-	-	-	237,090,000	10/1/2014 to 9/1/2024	HK\$0.147
Total		<u>418,330,000</u>	<u>-</u>	<u>-</u>	<u>(177,840,000)</u>	<u>240,490,000</u>		

Notes:

- (i) The option exercise period is commenced from the date of grant for ten years. The options may be exercised at any time within the option period provided that the options have been vested. As at 30 September 2017, all options have been vested.
- (ii) During the nine months ended 30 September 2017, a total of 177,840,000 options were lapsed while there was no option being exercised or cancelled.

Details of options granted to Directors under the Share Option Scheme are set out in the sub-section headed "Long Position in Underlying Shares of the Company" under the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures".



SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2017, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, the Directors are not aware of any other party (save for those disclosed above in respect of the Directors and chief executives) who had interests or short positions in the shares or underlying shares of the Company which were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

INTERESTS IN COMPETING BUSINESS

Mr. Chow Wing Tung ("Mr. Chow"), an independent non-executive Director, held share interests in Great Harvest Finance Limited which is principally engaged in the business of hire purchase car financing. Mr. Chow was therefore considered to have interests in businesses which compete or are like to compete with the businesses of the Group pursuant to the GEM Listing Rules.

As the businesses of the Company and the above entity are operated under separate management with no reliance (whether financial or business) on each other, the Group is able to operate its businesses independently of, and at arm's length from, the competing entity.

Saved as disclosed above, none of the Directors and their respective associates (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company did not redeem any of its listed securities during the nine months ended 30 September 2017. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the nine months ended 30 September 2017.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the nine months ended 30 September 2017.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance. Maintaining a good and solid framework of corporate governance will ensure the Company to run its business in the best interests of the shareholders of the Company. Throughout the nine months ended 30 September 2017 under review, the Company has complied with the code provisions of the Corporate Governance Code (the "Code") set out in Appendix 15 of the GEM Listing Rules, with the exception of deviation set out below.

Under Code Provision A.2.1, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. During the nine months ended 30 September 2017 under review, the Company has not appointed a chairman, and the roles and functions of a chairman have been performed by all the executive Directors collectively.

Under Code Provision A.6.7, independent non-executive director and non-executive director should attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Mr. Chow Wing Tung, Mr. Ko Wai Lun Warren and Mr. Yam Chiu Fan Joseph, the independent non-executive Directors, were unable to attend the annual general meeting of the Company and the extraordinary general meeting of the Company held on 16 June 2017 and 22 September 2017 respectively due to their respective other important engagements elsewhere.

AUDIT COMMITTEE

The Audit Committee, with written terms of reference in compliance with Code Provision C.3.3 of the Code as set out in Appendix 15 of the GEM Listing Rules, currently comprises three independent non-executive Directors, namely Mr. Chow Wing Tung, Mr. Ko Wai Lun Warren and Mr. Yam Chiu Fan Joseph. Mr. Chow Wing Tung is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control procedures. The Group's unaudited condensed consolidated results for the nine months ended 30 September 2017 have been reviewed by the Audit Committee together with management, which was of the opinion that the preparation of such results were complied with the applicable accounting standards and requirements and that adequate disclosures have been made.



APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board on 14 November 2017.

By Order of the Board
Cloud Investment Holdings Limited
TANG LAP CHIN RICHARD
Executive Director

Hong Kong, 14 November 2017

As at the date of this report, the Board comprises Mr. Poon Yu Keung, Mr. Hung Ching Fung, Mr. Tang Lap Chin Richard and Mr. Ng Chung Yuen Frank as executive Directors and Mr. Chow Wing Tung, Mr. Ko Wai Lun Warren and Mr. Yam Chiu Fan Joseph as independent non-executive Directors.

This report will remain on the GEM website at <http://www.hkgem.com> on the "latest company report" page for at least 7 days from the day of its posting and on the Company's website at www.cloud-grp.com.