長城一帶一路
Great Wall Belt & Road

Great Wall Belt & Road Holdings Limited
長城一帶一路控股有限公司

(Formerly known as e-Kong Group Limited)
(Incorporated in Bermuda with limited liability)

(Stock Code: 524)

INTERIM REPORT 2018

Contents

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Zhao Ruiyong *(Chairman)*
Li Bing *(Chief Executive Officer)*
Cheung Ka Heng Frankie *(Vice-Chairman)*
Chan Chi Yuen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Fung Chan Man Alex
Fung Wai Shing
Zhao Guangming
Huang Tao

COMPANY SECRETARY

Law Hoi Ching

AUDITOR

Mazars CPA Limited
Certified Public Accountants

LEGAL ADVISERS

Conyers Dill & Pearman
King & Wood Mallesons

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

REGISTERED OFFICE

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2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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STOCK CODE

The Stock Exchange of Hong Kong Limited: 524

WEBSITE

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2018

The board (the "**Board**") of directors (the "**Directors**") of Great Wall Belt & Road Holdings Limited (the "**Company**") herein presents the unaudited interim results (the "**Interim Results**") of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2018 (the "**Period**"), together with comparative figures for the corresponding period in 2017. The Interim Results are unaudited but have been reviewed by the audit committee (the "**Audit Committee**") of the Company.

		Six months ended 30 June	
		2018	2017
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Revenue	*2*	**30,172**	37,545
Cost of sales		**(12,688)**	(15,796)
Gross profit		**17,484**	21,749
Other revenue and income	*3*	**3,126**	5,228
		20,610	26,977
Selling and distribution expenses		**(1,332)**	(2,374)
Business promotion and marketing expenses		**(396)**	(1,201)
Operating and administrative expenses		**(27,823)**	(42,714)
Other operating expenses		**(10,750)**	(12,835)
Loss from operations		**(19,691)**	(32,147)
Finance costs	*4*	**(4)**	(3)
Impairment loss on investment in a joint venture		**(337)**	–
Net increase/(decrease) in fair value of financial assets at fair value through profit or loss			
• Disposed of during the period		**3,318**	(8,995)
• Held at the end of the period		**70,876**	21,403
Share of results of associates		**(321)**	143
Loss on disposal of interest in an associate		**–**	(258)
Gain on disposal of property, plant and equipment		**32**	4
Gain on disposal of a subsidiary	*15*	**11,984**	–
Profit/(Loss) before taxation	*4*	**65,857**	(19,853)
Taxation charges	*5*	**(1,216)**	(526)
Profit/(Loss) for the period		**64,641**	(20,379)
Profit/(Loss) for the period attributable to:			
Equity holders of the Company		**64,438**	(19,304)
Non-controlling interests		**203**	(1,075)
Profit/(Loss) for the period		**64,641**	(20,379)
		HK cents	HK cents
Earnings/(Loss) per share	*7*		
Basic and diluted		**6.5**	(2.2)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2018

	Six months ended 30 June 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Profit/(Loss) for the period	**64,641**	(20,379)
Other comprehensive income/(loss) for the period		
Item that will not be reclassified to profit or loss:		
Financial assets at fair value through other comprehensive income – net movement in investment revaluation reserves	**1,550**	–
Items that may be subsequently reclassified to profit or loss:		
Derecognition of exchange reserve upon disposal of a subsidiary *(note 15)*	**(66)**	–
Exchange differences on translation of foreign subsidiaries	**(1,926)**	2,532
Share of other comprehensive loss of associates – Exchange difference in translation	**(2,750)**	–
Share of other comprehensive (loss)/income of a joint venture – Exchange difference in translation	**(6)**	10
Total comprehensive income/(loss) for the period	**61,443**	(17,837)
Total comprehensive income/(loss) for the period attributable to:		
Equity holders of the Company	**61,339**	(16,973)
Non-controlling interests	**104**	(864)
Total comprehensive income/(loss) for the period	**61,443**	(17,837)

Condensed Consolidated Statement of Financial Position

As at 30 June 2018

	Notes	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
Non-current assets			
Goodwill		**12,430**	12,430
Interest in associates	*8*	**59,622**	280
Interest in a joint venture		**–**	343
Property, plant and equipment	*9*	**2,662**	3,996
Intangible assets		**57,665**	71,199
Available-for-sale financial asset		**–**	7,800
Financial assets at fair value through other comprehensive income		**4,268**	–
		136,647	96,048
Current assets			
Financial assets at fair value through profit or loss		**172,171**	101,958
Trade and other receivables	*10*	**77,609**	69,792
Pledged bank deposits	*11*	**887**	1,316
Cash and bank balances		**15,034**	69,409
		265,701	242,475
Current liabilities			
Trade and other payables	*12*	**71,785**	106,632
Obligation under finance leases		**78**	79
Taxation payable		**3,290**	8,690
		75,153	115,401
Net current assets		**190,548**	127,074
Total assets less current liabilities		**327,195**	223,122
Non-current liabilities			
Deferred revenue		**–**	958
Deferred tax liabilities	*13*	**11,854**	13,782
Obligation under finance leases		**11**	51
		11,865	14,791
NET ASSETS		**315,330**	208,331
Capital and reserves			
Share capital	*14*	**10,503**	8,753
Reserves		**297,099**	191,954
Equity attributable to equity holders of the Company		**307,602**	200,707
Non-controlling interests		**7,728**	7,624
TOTAL EQUITY		**315,330**	208,331

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2018

	Attributable to equity holders of the Company										
	Share capital (Unaudited) HK$'000	Share premium (Unaudited) HK$'000	Exchange reserve (Unaudited) HK$'000	Investment revaluation reserves (non-recycling) (Unaudited) HK$'000	Capital redemption reserve (Unaudited) HK$'000	Capital reserve (Unaudited) HK$'000	Contributed surplus (Unaudited) HK$'000	Accumulated losses (Unaudited) HK$'000	Total (Unaudited) HK$'000	Non-controlling interests (Unaudited) HK$'000	Total equity (Unaudited) HK$'000
As at 1 January 2018, as previously reported	**8,753**	**241,329**	**4,681**	**–**	**25**	**(64)**	**83,489**	**(137,506)**	**200,707**	**7,624**	**208,331**
Adjustment on adoption of HKFRS 9 *(note 1)*	**–**	**–**	**–**	**(5,168)**	**–**	**–**	**–**	**–**	**(5,168)**	**–**	**(5,168)**
As at 1 January 2018 (as adjusted)	**8,753**	**241,329**	**4,681**	**(5,168)**	**25**	**(64)**	**83,489**	**(137,506)**	**195,539**	**7,624**	**203,163**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**64,438**	**64,438**	**203**	**64,641**
Other comprehensive income for the period											
Item that will not be reclassified to profit or loss:											
Financial assets at fair value through other comprehensive income – net movement in investment revaluation reserve	**–**	**–**	**–**	**1,550**	**–**	**–**	**–**	**–**	**1,550**	**–**	**1,550**
Item that may be subsequently reclassified to profit or loss:											
Derecognition of exchange reserve upon disposal of a subsidiary	**–**	**–**	**(66)**	**–**	**–**	**–**	**–**	**–**	**(66)**	**–**	**(66)**
Exchange differences on translation of foreign subsidiaries	**–**	**–**	**(1,828)**	**–**	**–**	**–**	**–**	**–**	**(1,828)**	**(98)**	**(1,926)**
Share of other comprehensive loss of associates – Exchange difference in translation	**–**	**–**	**(2,750)**	**–**	**–**	**–**	**–**	**–**	**(2,750)**	**–**	**(2,750)**
Share of other comprehensive loss of a joint venture – Exchange difference in translation	**–**	**–**	**(5)**	**–**	**–**	**–**	**–**	**–**	**(5)**	**(1)**	**(6)**
Total comprehensive income for the period	**–**	**–**	**(4,649)**	**1,550**	**–**	**–**	**–**	**64,438**	**61,339**	**104**	**61,443**
Transactions with equity holders of the Company											
Contribution and distributions											
Shares issued upon placing in March 2018 *(note 14)*	**1,750**	**48,974**	**–**	**–**	**–**	**–**	**–**	**–**	**50,724**	**–**	**50,724**
Total transactions with equity holders of the Company	**1,750**	**48,974**	**–**	**–**	**–**	**–**	**–**	**–**	**50,724**	**–**	**50,724**
As at 30 June 2018	**10,503**	**290,303**	**32**	**(3,618)**	**25**	**(64)**	**83,489**	**(73,068)**	**307,602**	**7,728**	**315,330**
As at 1 January 2017	8,753	241,329	(643)	–	25	2,242	83,489	(124,077)	211,118	(4,865)	206,253
Loss for the period	–	–	–	–	–	–	–	(19,304)	(19,304)	(1,075)	(20,379)
Other comprehensive income for the period											
Items that may be subsequently reclassified to profit or loss:											
Exchange differences on translation of foreign subsidiaries	–	–	2,322	–	–	–	–	–	2,322	210	2,532
Share of other comprehensive income of a joint venture – Exchange difference in translation	–	–	9	–	–	–	–	–	9	1	10
Total comprehensive loss for the period	–	–	2,331	–	–	–	–	(19,304)	(16,973)	(864)	(17,837)
As at 30 June 2017	8,753	241,329	1,688	–	25	2,242	83,489	(143,381)	194,145	(5,729)	188,416

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net cash (used in)/generated from operating activities	**(52,192)**	44,034
INVESTING ACTIVITIES		
Capital contribution to an associate *(note 8a)*	**(62,248)**	–
Purchase of financial asset at fair value through other comprehensive income	**(86)**	–
Proceeds from disposal of a subsidiary *(note 15)*	**9,441**	–
Proceeds from disposal of investment in an associate	**–**	392
Proceeds from disposal of property, plant and equipment	**32**	3,887
Purchase of property, plant and equipment	**(443)**	(142)
Release of pledged bank deposits	**429**	–
Net cash (used in)/generated from investing activities	**(52,875)**	4,137
FINANCING ACTIVITIES		
Proceeds from shares issued upon placings *(note 14)*	**50,724**	–
Repayment of obligations under finance leases	**(39)**	(27)
Net cash generated from/(used in) financing activities	**50,685**	(27)
Net (decrease)/increase in cash and cash equivalents	**(54,382)**	48,144
Cash and cash equivalents as at 1 January	**69,409**	48,460
Exchange gain on cash and cash equivalents	**7**	310
Cash and cash equivalents as at 30 June	**15,034**	96,914

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements (the "**Interim Financial Statements**") of the Group for the six months ended 30 June 2018 are unaudited and have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Interim Financial Statements are unaudited, but have been reviewed by the Audit Committee.

The Interim Financial Statements should be read in conjunction with the 2017 annual financial statements. The accounting policies adopted in preparing the Interim Financial Statements for the six months ended 30 June 2018 are consistent with those in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of the new/revised standard of Hong Kong Financial Reporting Standards ("**HKFRS**") which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1 January 2018 as described below.

Annual improvements to HKFRSs	2014-2016 Cycle: HKFRS 1 and HKAS 28
Amendments to HKAS 40	Transfers of Investment Property
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

The adoption of these amendments to HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current or prior periods except for HKFRS 9.

HKFRS 9: Financial instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

HKFRS 9: Financial instruments *(continued)*

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 "Financial Instruments: Recognition and Measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

On 1 January 2018, the Directors assessed which business models should be applied to the financial assets and financial liabilities held by the Group on the initial application of HKFRS 9 and has classified its financial instruments into the appropriate HKFRS 9 categories as follows:

		Measurement category	
	Note	**Original (HKAS 39)**	**New (HKFRS 9)**
Financial assets			
Listed equity securities held for trading		Fair value through profit or loss ("**FVPL**")	FVPL
Unlisted equity securities not held for trading	*(a)*	Available-for-sale, at cost	Fair value through other comprehensive income ("**FVOCI**")
Trade and other receivables	*(b)*	Amortised cost	Amortised cost
Pledged bank deposits	*(b)*	Amortised cost	Amortised cost
Cash and cash equivalents	*(b)*	Amortised cost	Amortised cost
Financial liabilities			
Trade and other payables		Amortised cost	Amortised cost
Obligation under finance leases		Amortised cost	Amortised cost

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

HKFRS 9: Financial instruments *(continued)*

Note:

(a) The effects in relation to the initial fair value measurement of the reclassification at the date of initial application as financial assets at FVOCI are set out as follow:

	31 December 2017 HK$'000	**Effect on adoption HKFRS 9** HK$'000	**1 January 2018** HK$'000
Statement of financial position			
Available for sale, at cost	7,800	(7,800)	–
Financial asset at FVOCI	–	2,632	2,632
Statement of changes in equity			
Investment revaluation reserves	–	(5,168)	(5,168)

(b) Impairment based on expected credit loss model on these financial assets has no significant financial impact.

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, "Revenue", which covered revenue arising from sale of goods and rendering of services, and HKAS 11, "Construction contracts", which specified the accounting for construction contracts.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The management of the Company considers that the performance obligations that may be identified under HKFRS 15 are similar to the identification of revenue components under the Group's existing revenue recognition policy and therefore, the adoption of HKFRS 15 does not have any significant impact on recognition of revenue.

The Group has not early-adopted the new and revised standards or interpretations issued by the HKICPA that are not yet effective for the current period. The Group is in the process of assessing the possible impact of the adoption of these new and revised standards or interpretations in the future.

2. REVENUE AND SEGMENTAL INFORMATION

The Group's management, who are the chief operating decision-makers, determine the operating segments for the purposes of resource allocation and performance assessment. The business segments of the Group comprise telecommunication services, financial payment processing solution and software development services, distribution business through e-commerce platform, property development & tourism and other operations, representing the provision of insurance-related product distribution services and consultancy services.

Segment results represent the results before taxation earned by each segment without allocation of central operating and administrative expenses. All assets are allocated to reportable segments other than unallocated assets which are mainly financial assets at FVPL, financial assets at FVOCI and cash and bank balances. All liabilities are allocated to reportable segments other than corporate liabilities.

Analyses of the Group's segmental information by business and geographical segments during the period are set out below. Inter-segment sales are charged at prevailing market prices.

(a) BY BUSINESS SEGMENTS

	Six months ended 30 June 2018			
	Telecommunication services (Unaudited) HK$'000	Financial payment processing solution and software development services and distribution business# (Unaudited) HK$'000	Property development & tourism (Unaudited) HK$'000	Consolidated (Unaudited) HK$'000
Revenue				
External sales	16,466	13,706	–	30,172
Inter-segment sales	–	–	–	–
	16,466	13,706	–	30,172
Results				
Segment results	(3,756)	3,604	152	–
Finance costs	(4)	–	–	(4)
Impairment loss on investment in a joint venture	–	(337)	–	(337)
Share of results of associates	(249)	–	(72)	(321)
Gain on disposal of a subsidiary	11,984	–	–	11,984
	7,975	3,267	80	11,322
Other operating income and expenses				54,535
Profit before taxation				65,857

\# *This segment included revenue from financial payment processing solution and software development services of approximately HK$3,416,000 (30 June 2017: approximately HK$5,015,000) and revenue from distribution services of approximately HK$10,290,000 (30 June 2017: approximately HK$5,056,000).*

2. REVENUE AND SEGMENTAL INFORMATION *(continued)*

(a) BY BUSINESS SEGMENTS *(continued)*

	Six months ended 30 June 2017				
	Telecom-munication services (Unaudited) HK$'000	Financial payment processing solution and software development services and distribution business (Unaudited) HK$'000	Other operation (Unaudited) HK$'000	Eliminations (Unaudited) HK$'000	Consolidated (Unaudited) HK$'000
Revenue					
External sales	25,606	10,071	1,868	–	37,545
Inter-segment sales	45	–	–	(45)	–
	25,651	10,071	1,868	(45)	37,545
Results					
Segment results	(5,918)	2,103	(1,957)	–	(5,772)
Finance costs	(3)	–	–	–	(3)
	(5,921)	2,103	(1,957)	–	(5,775)
Other operating income and expenses					(14,078)
Loss before taxation					(19,853)

	As at 30 June 2018			
	Telecom-munication (Unaudited) HK$'000	**Financial payment processing solution and software development services and distribution business (Unaudited) HK$'000**	**Property development & tourism (Unaudited) HK$'000**	**Consolidated (Unaudited) HK$'000**
Assets				
Reportable segments	**17,189**	**123,598**	**60,048**	**200,835**
Unallocated assets				**201,513**
				402,348
Liabilities				
Reportable segments	**(9,606)**	**(17,240)**	**(5,516)**	**(32,362)**
Unallocated liabilities				**(54,656)**
				(87,018)

2. REVENUE AND SEGMENTAL INFORMATION *(continued)*

(a) BY BUSINESS SEGMENTS *(continued)*

	As at 31 December 2017		
	Telecom-munication (Audited) HK$'000	Financial payment processing solution and software development services and distribution business (Audited) HK$'000	Consolidated (Audited) HK$'000
Assets			
Reportable segments	18,006	124,346	142,352
Unallocated assets			196,171
			338,523
Liabilities			
Reportable segments	(12,927)	(35,680)	(48,607)
Unallocated liabilities			(81,585)
			(130,192)

(b) BY GEOGRAPHICAL INFORMATION

The Group's operations are principally located in Hong Kong, Singapore and the PRC. The following table provides an analysis of the Group's revenue from external customers by geographical market in which the operations are located:

	Six months ended 30 June	
	2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Hong Kong	**3,102**	9,912
Singapore	**13,364**	17,562
The PRC	**13,706**	10,071
	30,172	37,545

2. REVENUE AND SEGMENTAL INFORMATION *(continued)*

(b) BY GEOGRAPHICAL INFORMATION *(continued)*

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
Hong Kong	**2,273**	3,948
Singapore	**418**	5,259
The PRC	**129,688**	79,041
	132,379	88,248

3. OTHER REVENUE AND INCOME

	Six months ended 30 June 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Interest income on bank deposits	**83**	2
Management fee income	**2,006**	2,006
Reimbursement of expenses from customers	**–**	3,086
Others	**1,037**	134
	3,126	5,228

4. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is stated after charging the following:

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Finance costs		
Interest on obligation under finance leases	**(4)**	(3)
Other items		
Amortisation of intangible assets	**(8,461)**	(8,489)
Depreciation of property, plant and equipment	**(1,509)**	(2,943)
Impairment loss on investment in a joint venture	**(337)**	–
Impairment loss on property, plant and equipment	**–**	(1,153)
Operating lease charges on premises	**(12,453)**	(11,408)

5. TAXATION CHARGES

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current tax		
Overseas income taxes	**3,054**	2,233
Deferred tax		
Depreciation allowances	**(1,838)**	(1,707)
Taxation charges	**1,216**	526

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for the six months ended 30 June 2018 and 30 June 2017.

Overseas taxation represents income tax provisions in respect of certain subsidiaries, calculated at the tax rates prevailing in the countries in which the subsidiaries operate.

6. INTERIM DIVIDEND

The Board does not recommend payment of a dividend for the six months ended 30 June 2018 (30 June 2017: Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the six months ended 30 June 2018 is based on the profit for the period attributable to equity holders of the Company of approximately HK$64,438,000 (30 June 2017: loss of approximately HK$19,304,000) and on the weighted-average number of 988,401,547 ordinary shares (30 June 2017: 875,280,000 ordinary shares) in issue during the period.

The Company has no dilutive potential ordinary shares in issue during the current and prior periods and, therefore, the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the periods presented.

8. INTEREST IN ASSOCIATES

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
AsiaCloud (HK) Limited	31	280
Wusu Company *(note a)*	59,497	–
Yibin Company *(note b)*	94	–
	59,622	280

(a) INVESTMENT IN WUSU SILK ROAD SMALL TOWNS CULTURAL TOURISM COMPANY LIMITED*（烏蘇絲路小鎮文旅有限公司）("WUSU COMPANY")

On 8 September 2017, the Group entered into a joint venture agreement with Great Wall Film & Culture Company Group Limited*（長城影視文化企業集團有限公司）, which held approximately 25.46% of the total issued share capital of the Company though its subsidiary, in respect of forming an investee to cooperate in the development of characteristic cultural town in Wusu City of the Xinjiang Autonomous Region of the PRC.

On 1 February 2018, the investee, Wusu Company was established. The registered capital of Wusu Company is RMB200,000,000. On 7 February 2018, the Group had completed its capital contribution of RMB50,000,000 (approximately HK$62,248,000) in cash to Wusu Company and the Group held 25% of the equity interests in Wusu Company. Upon completion of the capital contribution to Wusu Company, based on the number of representative of the Group on the board of Wusu Company as stipulated in the article of association of Wusu Company, Wusu Company is classified as an associate of the Group and is accounted for using equity method.

The principal activity of Wusu Company is development and operation of the characteristic town, real estate and cultural tourism in Wusu.

(b) INVESTMENT IN YIBIN XIANYUAN LAKE SMALL TOWNS CULTURAL TOURISM COMPANY LIMITED*（宜賓仙源湖小鎮文旅有限公司）("YIBIN COMPANY")

On 3 April 2018, the Group entered into a joint venture agreement with a third party in respect of forming an investee to cooperate in the development of characteristic cultural town in Yibin City of Sichuan Province in the PRC.

On 12 April 2018, the investee, Yibin Company was established. The registered capital of Yibin Company is RMB200,000,000 and the Group committed to contribute RMB70,000,000 before 3 April 2028, representing equity interest in 35% of Yibin Company. As at 30 June 2018 and up to the date of this report, no contribution has been made by the Group. Based on the number of representative of the Group on the board of Yibin Company as stipulated in the article of association of Yibin Company, Yinbin Company is classified as an associate of the Group and is accounted for using equity method.

The principal activity of Yibin Company is development and operation of the characteristic town, real estate and cultural tourism in Yibin city.

9. ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment at a cost of approximately HK$443,000 (year ended 31 December 2017: approximately HK$509,000) and disposed of certain property, plant and equipment at a carrying amount of HK$Nil (year ended 31 December 2017: approximately HK$5,738,000).

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
Trade receivables	17,844	28,336
Other receivables		
Deposits	7,472	8,062
Prepayments	880	2,570
Other debtors	49,413	28,724
Due from an associate	2,000	2,100
	59,765	41,456
	77,609	69,792

The Group's credit terms on sales mainly range from 30 to 90 days. Included in trade and other receivables are trade debtors (net of allowances for doubtful debts) with the following ageing analysis by invoice date:

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
Less than 1 month	16,419	20,491
1 to 3 months	393	890
More than 3 months but less than 12 months	427	352
More than 12 months	605	6,603
	17,844	28,336

11. PLEDGED BANK DEPOSITS

As at 30 June 2018, the Group had pledged bank deposits amounting to approximately HK$887,000 (31 December 2017: approximately HK$1,316,000) for the purpose of issuing bank guarantees of approximately HK$887,000 (31 December 2017: approximately HK$1,316,000) to suppliers for operational requirements.

12. TRADE AND OTHER PAYABLES

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
Trade payables	4,668	5,206
Other payables		
Deferred revenue	–	3,392
Cash consideration payable for acquisition of a subsidiary *(note a)*	37,172	37,172
Accrued charges and other creditors	11,579	18,998
Due to an ex-director *(note b)*	12,393	41,552
Due to associates	623	312
Due to a shareholder	5,350	–
	67,117	101,426
	71,785	106,632

Included in trade payables are trade creditors with the following ageing analysis by invoice date:

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
Less than 1 month	2,859	3,413
1 to 3 months	629	804
More than 3 months but less than 12 months	139	989
More than 12 months	1,041	–
	4,668	5,206

(a) The amount due is the cash consideration payable for a business combination in 2016 which is unsecured, interest-free and payable on 31 December 2018.

As set out in the Company's circular dated 11 December 2017, in respect of SingAsia Disposal (as defined in note (b)), the management planned to utilise the net proceeds from SingAsia Disposal to settle the remaining consideration payable. SingAsia Disposal was finally not approved at the SGM (as defined in note (b)). After further negotiation with the vendor of the business combination in 2016, the Group agreed with the vendor to extend the date of payment of the consideration payable to 31 December 2018.

12. TRADE AND OTHER PAYABLES *(continued)*

(b) The amount represented the remaining balance of consideration received from Mr. Yeung Chun Wai Anthony ("**Mr. Yeung**"), an ex-director for the disposal of 5,700,000 ordinary shares of SingAsia Holdings Limited ("**SingAsia Shares**") on 9 June 2017, which was not approved at the special general meeting (the "**SGM**") of the Company held on 29 December 2017 ("**SingAsia Disposal**").

During the period, 4,000,000 SingAsia Shares, which were sub-divided into 20,000,000 shares after the shares subdivision of SingAsia Holdings Limited became effective on 8 March 2018 ("**Sub-divided SingAsia Shares**"), were returned back to the Group in exchanging for the Group's settlement amount approximately HK$29,159,000.

As at 30 June 2018, 8,500,000 Sub-divided SingAsia Shares was held by Mr. Yeung and the related balance of consideration received amount of approximately HK$12,393,000 was accounted for as "amount due to ex-director". As disclosed in the Company's announcement on 10 August 2018, Mr. Yeung stated his intention to return back 1,000,000 Sub-divided SingAsia Shares on 31 August 2018 and the remaining 7,500,000 Sub-divided SingAsia Shares will be returned back on or before 26 October 2018.

13. DEFERRED TAXATION

The movements for the period/year in the Group's deferred tax liabilities are as follows:

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
At the beginning of the period/year	**13,782**	16,227
Credit to statement of profit or loss	**(1,838)**	(3,808)
Exchange adjustments	**(90)**	1,363
	11,854	13,782

Recognised deferred tax liabilities at the end of the period/year represent the following:

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
Depreciation allowances	**11,854**	13,782

14. SHARE CAPITAL

	Number of shares		Amount	
	30 June 2018 (Unaudited)	31 December 2017 (Audited)	**30 June 2018 (Unaudited) HK$'000**	31 December 2017 (Audited) HK$'000
Ordinary share of HK$0.01 each				
Authorised:				
At the beginning and at end of the period/year	**12,000,000,000**	12,000,000,000	**120,000**	120,000
Issued and fully paid:				
At the beginning of the period/year	**875,280,000**	875,280,000	**8,753**	8,753
Shares issued upon placing in March 2018	**175,000,000**	–	**1,750**	–
At the end of the period/year	**1,050,280,000**	875,280,000	**10,503**	8,753

Note: On 6 March 2018, the Company allotted and issued an aggregate of 175,000,000 ordinary shares of HK$0.01 each for cash to not less than six independent investors at a placing price of approximately HK$0.30 per share under the general mandate granted by the shareholders at the annual general meeting of the Company held on 17 May 2017. The net proceeds of approximately HK$50,724,000 were used to strengthen the financial position of the Group's business operation and provide additional funding to further develop the Group's business. The net proceeds raised per share issued were approximately HK$0.290 per share. The closing market price of the Company's shares as at issue date was HK$0.325. All shares issued under the placing rank pari passu with the existing shares in all respects.

15. DISPOSAL OF A SUBSIDIARY

On 22 March 2018, the Group disposed of 100% of its equity interest in Cybersite Services Pte Ltd. ("**Cybersite**") to a third party, for a consideration of approximately Singapore Dollars ("**S$**") 2,203,000 (approximately HK$13,195,000). The details are as follows:

	HK$'000
Property, plant and equipment	264
Intangible assets	4,729
Other receivables	288
Banks balances and cash	806
Other payables	(3,794)
Deferred revenue	(1,016)
Net assets upon disposal	1,277
Release of exchange reserve	(66)
Gain on disposal	11,984
Consideration, satisfied by cash	13,195

15. DISPOSAL OF A SUBSIDIARY *(continued)*

Analysis of net inflow of cash and cash equivalents in respect of disposal of the subsidiary is as follows:

	HK$'000
Cash consideration (paid portion)	10,247
Cash and cash equivalents disposed	(806)
	9,441

At 30 June 2018, the unpaid portion of cash consideration for the disposal of Cybersite amounted to approximately S$492,000 (equivalent to approximately HK$2,948,000), which is included in "other debtors" and is unsecured, interest-free and payable on or before 22 March 2019.

16. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these condensed consolidated interim financial statements, during the period, the Group had management fee income from a related company of approximately HK$Nil (30 June 2017: HK$1,886,000) and the following balances with related parties as follow:

	As at 30 June 2018 (Unaudited) HK$'000	As at 31 December 2017 (Audited) HK$'000
Outstanding balances		
Trade receivable due from an associate	**371**	545
Other receivable due from an associate	**2,000**	2,100
Due to associates	**(623)**	(312)
Due to a shareholder	**(5,350)**	–

17. LITIGATION

The Company is involved in a dispute on certain of the proceeds from the disposal of a subsidiary in previous year. Management believes that the claim is without merit and the possibility of a significant loss arising from the dispute is remote and therefore no provision for the claims was considered necessary.

18. FAIR VALUE MEASUREMENTS

The following presents the Group's financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy as defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 (lowest level): unobservable inputs for the asset or liability.

(i) ASSETS MEASURED AT FAIR VALUE

	Level 1 HK$'000 (Unaudited)	**Level 2 HK$'000 (Unaudited)**	**Level 3 HK$'000 (Unaudited)**
As at 30 June 2018			
Financial assets at fair value through other comprehensive income			
Unlisted equity securities	**–**	**4,268**	**–**
Financial assets at fair value through profit or loss			
Equity investments listed in Hong Kong	**168,244**	**–**	**–**
Unlisted principal non-guaranteed fund	**–**	**–**	**3,927**

	Level 1 HK$'000 (Audited)	Level 2 HK$'000 (Audited)	Level 3 HK$'000 (Audited)
As at 31 December 2017			
Financial assets at fair value through profit or loss			
Equity investments listed in Hong Kong	101,958	–	–

During the period ended 30 June 2018 and the year ended 31 December 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Valuation techniques and inputs in Level 2 fair value measurement

The fair value of unlisted equity securities are valued based on the net asset value of each investee.

18. FAIR VALUE MEASUREMENTS *(continued)*

(i) ASSETS MEASURED AT FAIR VALUE *(continued)*

Information about Level 3 fair value measurement

At 30 June 2018, the unlisted investment in principal non-guaranteed fund (the "**Fund**") was placed with a financial institution in the PRC. The Fund is mainly invested in bank debentures, interbank borrowings and other investments in the PRC with high credit rating. The Fund bears interest at floating rate with expected return of 5.2% per annum. The market value of the Fund is provided by the financial institution.

Movements in Level 3 fair value movements

There was no transfers into and out of Level 3 fair value measurement during the six months ended 30 June 2017, During the period, the Group purchased the unlisted principal non-guaranteed fund of approximately HK$3,927,000 and no other movement noted.

Valuation Processes

The valuations of financial assets carried at fair value for financial reporting purposes have been reviewed and reported directly to the senior management.

(ii) FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

The carrying amounts of the financial assets and liabilities of the Group carried at amounts other than their fair values are not materially different from their fair values as at 30 June 2018 and 31 December 2017.

19. EVENT AFTER THE REPORTING PERIOD

On 21 March 2018, the Company entered into the memorandum of understanding (the "**MOU**") with an independent third party to dispose of 100% equity interest in Stage Charm Limited, which holds the entire issued share capital of Diamond Frontier Investment Limited and 90% equity interest in the registered capital of Hangzhou Susong Technology Company Limited*（杭州蘇頌科技有限公司）. On 20 June 2018, the supplemental MOU was entered to mutually agree in writing to extend the exclusivity period from 90 days to 150 days after the date of the MOU (i.e. 21 March 2018). Details of the proposed disposal have been set out in the Company's announcement dated 21 March 2018 and 20 June 2018.

Since no legally-binding formal agreement entered during the extended exclusivity period as set out in the supplemental MOU, accordingly, the MOU (as supplemented by the supplemental MOU) has lapsed and terminated on 18 August 2018.

Business Review and Outlook

OVERVIEW

During the Period, in view of the ongoing process of streamlining its telecom businesses and the impact of financial payment processing solution and software development services and distribution business acquired in June 2016, the Group's revenue decreased by approximately 19.6% to approximately HK$30.2 million compared to approximately HK$37.5 million for the prior period. The overall gross margin of the Group (as a percentage of its revenue) during the Period remained stable at approximately 57.9%. Due to more efficient management of cost control, loss from operations for the Period was approximately HK$19.7 million, compared to loss of approximately HK$32.1 million for the previous period.

Profit attributable to equity holders of the Company of approximately HK$64.4 million was recorded for the Period compared to loss of approximately HK$19.3 million for the previous period. Huge improvement of profit was mainly due to the effect of (1) an unrealised gain of approximately HK$70.9 million on financial assets; (2) a realised gain of approximately HK$3.3 million on financial assets; and (3) a gain of approximately HK$12.0 million on disposal of Cybersite Service Pte Ltd. ("**Cybersite**"), a subsidiary of the Company, in March 2018.

TELECOM BUSINESS (TELECOMMUNICATION AND INFORMATION TECHNOLOGY BUSINESS)

Total revenue recorded by the Telecom Business, which comprises the Group's telecom-related service operations in Hong Kong and Singapore and remains as the Group's major revenue contributor in the Period, was approximately HK16.5 million, representing a 35.7% decrease compared to approximately HK$25.6 million for the prior period.

During the Period, the Group completed the disposal of the web-related business in Singapore in March 2018, which generated gains of approximately HK$12.0 million to the Group.

As at the date of this report, the remaining principal segments in the Telecom Business are (1) the voice telecommunication business in Hong Kong; and (2) the voice and information technology business in Singapore. In particular, the Group will strive to expand its wholesale voice telecommunications and/or channel-driven service distribution business segment(s) so as to maintain a comparable level of business activities of the Telecom Business as in prior years.

IT AND DISTRIBUTION BUSINESS (FINANCIAL PAYMENT PROCESSING SOLUTION AND SOFTWARE DEVELOPMENT SERVICES, AND DISTRIBUTION BUSINESS)

During the Period, total revenue from the IT and Distribution Business was approximately HK$13.7 million and recorded an increase of approximately 36.1% compared to approximately HK$10.1 million for the previous period.

Due to the increasingly stricter regulations on financial payment processing solution services in the future, we expect that the IT and Distribution Business will keep on facing increasingly challenging and uncertain business environment in the second half of 2018. As disclosed in the Company's announcement dated 20 August 2018, the Company will continue to negotiate with current potential buyer and/or look for other potential buyer(s) in relation to potential disposal of entire equity interest in Stage Charm Limited.

PROPERTY DEVELOPMENT AND TOURISM BUSINESS

During the Period, in February 2018, the Group has established a company named "Wusu Silk Road Small Towns Cultural Tourism Company Limited*（烏蘇絲路小鎮文旅有限公司）" ("**Wusu Company**") with Great Wall Film & Culture Company Group Limited*（長城影視文化企業集團有限公司）("**Great Wall Group**") to engage in the development and operation of the characteristic town, real estate and cultural tourism in Wusu city, Xinjiang Autonomous Region, the People's Republic of China (the "**PRC**"). Moreover, in April 2018, the Group has established a company named "Yibin Xianyuan Lake Small Towns Cultural Tourism Company Limited*（宜賓仙源湖小鎮文旅有限公司）" ("**Yibin Company**") with Zhejiang Wenlan Investment Limited*（浙江文瀾投資有限公司）to engage in the development and operation of the characteristic town, real estate and cultural tourism in Yibin city, Sichuan province, the PRC. Both of Wusu Company and Yibin Company are accounted for as associates of the Group.

We believe that developing the characteristic town projects in Wusu and Yibin is a way of diversifying the business portfolio of the Group and improving the performance of the Group by generating investment returns.

OUTLOOK

Looking ahead, the Group will carry on its journey in finding a delicate balance in deploying its resources between maintaining the sustainability and relevance of the Telecom Business in the competitive market, and building its new businesses and investments subject to market conditions and looking for business opportunities brought by its substantial shareholder, Great Wall Group and the economic areas under the Belt and Road Initiative. Possible divesting of the IT and Distribution Business will release the resources of the Group to be allocated in a more efficient way in other investment opportunities.

Through actively pursuing other investment opportunities to improve business performance, increase operational efficiency and realise business synergy, it is expected that sustainable and steady business growth can be achieved and a more promising return can be offered to the Group and its shareholders as a whole.

REVENUE AND RESULTS

The Group's revenue for the Period amounted to approximately HK$30.2 million, representing a decrease of approximately 19.6% from the corresponding period in the prior year.

The overall gross margin of the Group for the Period remained stable at approximately 57.9% (period ended 30 June 2017: approximately 57.9%). The gross profit for the Period decreased by approximately 19.6% to approximately HK$17.5 million, compared to approximately HK$21.7 million for the previous corresponding period.

Total operating expenses of the Group for the Period amounted to approximately HK$40.3 million, representing a decrease of approximately 31.8% over the same period in the prior year. The decrease was mainly due to the streamline of business portfolio of the telecom business, the disposal of the equity interest in Cybersite and the deemed disposal of Relevant Marketing Group Limited and its subsidiaries, details of which are set out in the announcement of the Company dated 24 August 2017.

The operating loss of the Group for the Period amounted to approximately HK$19.7 million, compared to a loss of approximately HK$32.1 million for the previous corresponding period.

The Group disposed of its entire equity interest in Cybersite on 22 March 2018. A one-off gain of approximately HK$12.0 million was recorded by the Group in regards to the transaction.

The Group recorded unrealised fair value gain and a realised gain on disposal of approximately HK$70.9 million and approximately HK$3.3 million respectively (period ended 30 June 2017: approximately HK$21.4 million of unrealised fair value gain and approximately HK$9.0 million of realised loss on disposal) in respect of investment in listed securities held for trading for the Period.

The consolidated profit attributable to equity holders of the Company for the Period amounted to approximately HK$64.4 million, compared to a loss of approximately HK$19.3 million for the prior period.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCING

As at 30 June 2018, the net assets of the Group amounted to approximately HK$315.3 million compared to approximately HK$208.3 million as at 31 December 2017.

As at 30 June 2018, the number of issued shares had increased from 875,280,000 to 1,050,280,000. All shares issued during the Period rank pari passu with the existing shares in all respects. On 6 March 2018, the Company allotted and issued an aggregate of 175,000,000 ordinary shares of HK$0.01 each for cash to not less than six independent investors at a placing price of approximately HK$0.30 per share under the general mandate granted by the shareholders at the annual general meeting of the Company held on 17 May 2017 (the "**Placing**"). The net placing price was approximately HK$0.29 per share. The net proceeds were approximately HK$50.7 million.

As disclosed in the announcement of the Company dated 30 January 2018 (the "**Placing Announcement**"), the net proceeds from the Placing are intended to be used for replenishing the working capital of the Group as a result of (1) the capital contribution of RMB50 million made by the Group in relation to the formation of Wusu Company which was approved by the independent shareholders of the Company at the special general meeting of the Company held on 28 December 2017 (details of which are set out in the circular of the Company dated 8 December 2017 and the announcement of the Company dated 28 December 2017); and (2) approximately HK$41.6 million to be paid by the Group to Mr. Yeung Chun Wai Anthony pursuant to the settlement agreement dated 10 January 2018 entered into between e-Kong Pillars Holdings Limited (a wholly-owned subsidiary of the Company) and Mr. Yeung Chun Wai Anthony on the settlement of the disposal of the shares of SingAsia Holdings Limited ("**SingAsia Shares Settlement**").

CAPITAL STRUCTURE, LIQUIDITY AND FINANCING *(continued)*

As at 30 June 2018, the utilised net proceeds were approximately HK$38.3 million, of which approximately HK$29.2 million was used for SingAsia Shares Settlement and approximately HK$9.1 million was used for replenishing the working capital of the Group. The remaining net proceeds were approximately HK$12.4 million and will be applied in accordance with the proposed usages set out in the Placing Announcement to strengthen the financial position of the Group's operation and provide additional funding to further develop the Group's business.

Cash and bank balances (excluding pledged bank deposits) amounted to approximately HK$15.0 million as at 30 June 2018 (31 December 2017: approximately HK$69.4 million). As at 30 June 2018, approximately HK$0.9 million (31 December 2017: approximately HK$1.3 million) was pledged as bank deposits to collateralise a letter of credit issued to a bank in respect of a banking facility extended to a subsidiary. In addition, bank guarantees of approximately HK$0.9 million as at 30 June 2018 (31 December 2017: approximately HK$1.3 million) were issued to suppliers for operations requirements.

The Group had no bank borrowings as at 30 June 2018 and 31 December 2017. As at 30 June 2018, the Group had total obligations under finance leases amounting to approximately HK$0.1 million (31 December 2017: approximately HK$0.1 million).

As at 30 June 2018, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of net assets was approximately 0.1% (31 December 2017: approximately 0.1%).

FOREIGN EXCHANGE EXPOSURE

The Group has certain assets, liabilities, and transactions which are denominated in Singapore dollars and Renminbi. The Group continues to closely monitor the exchange rates of each of Singapore dollar, Hong Kong dollar and Renminbi and will, whenever appropriate, take appropriate action to mitigate such exchange risks. As at 30 June 2018, no related currency hedges had been undertaken by the Group.

CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2018, there were no material contingent liabilities or commitments and the Directors are not aware of any other material changes from information disclosed in the 2017 Annual Report of the Company.

SIGNIFICANT INVESTMENTS HELD AND PERFORMANCE

As at 30 June 2018, the Group held listed investments in securities in Hong Kong (collectively, the "**Investments**") with a market value of approximately HK$168.2 million (31 December 2017: approximately HK$102.0 million), which comprised an investment portfolio of two (31 December 2017: two) listed equities in Hong Kong. The Group recorded unrealised fair value gain and realised gain on disposal of approximately HK$70.9 million and approximately HK$3.3 million respectively (period ended 30 June 2017: approximately HK$21.4 million of unrealised fair value gain and approximately HK$9.0 million of realised loss on disposal) in respect of investment in listed securities held for trading for the Period.

SIGNIFICANT INVESTMENTS HELD AND PERFORMANCE *(continued)*

The details of the Investments as at 30 June 2018 were as follows:

	Company name	Stock code	Number of shares held	% of shareholdings in equity investment	Realised gain for the period HK$'000	Unrealised gain/(loss) on fair value change for the period HK$'000	Fair value as at 1 January 2018 HK$'000	Fair value as at 30 June 2018 HK$'000	% of net assets	Principal activities
1	New Provenance Everlasting Holdings Limited	02326	1,000,000	0.01%	–	(101)	156	55	0.02%	Sourcing and sales of metal minerals and related industrial materials, production and sale of industrial products, provision of logistics services and production and sale of utilities
2	SingAsia Holdings Limited	08293	27,215,000 *(Note)*	2.18%	3,347	70,977	97,212	168,189	53.33%	Provide manpower outsourcing services, manpower recruitment services and manpower training services based in Singapore.
					3,347	70,876	97,368	168,244		
	Other fee and commission expenses				(29)					
					3,318					

Note: On 8 March 2018, 5,700,000 shares of SingAsia Holdings Limited held by the Group were subdivided into 28,500,000 shares.

The Board considers that the performance of the above equities may be affected by the degree of volatility in the Hong Kong stock market and susceptible to other external factors that may affect their values. Accordingly, the Board reduces the portion of investment portfolio held in short term in order to reduce possible financial risks related to the equities. The Board will continue to closely monitor the performance of the global economic market conditions and seeks new investment opportunities from time to time.

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

As at 30 June 2018, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "**SFO**") as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules were as follows:

INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

Name of director	Capacity	Number of Shares# interested	Approximate percentage of shareholding
Zhao Ruiyong	Interest of a controlled corporation	222,820,000 *(Note 1)*	21.22%

\# *"Shares" means ordinary shares of HK$0.01 each in the share capital of the Company.*

*Note 1: The 222,820,000 Shares are beneficially owned by Great Wall Belt & Road (HK) Limited ("**Great Wall HK**"), which is wholly-owned by Great Wall Group. Great Wall Group is in turn owned as to 66.67% and 33.33% by Mr. Zhao Ruiyong and Mr. Zhao Feifan（趙非凡）respectively. Therefore, each of Great Wall Group, Mr. Zhao Ruiyong and Mr. Zhao Feifan（趙非凡）is deemed to be interested in the 222,820,000 Shares held by Great Wall HK pursuant to Part XV of the SFO. The 222,820,000 Shares are charged to Kingston Finance Limited and therefore Kingston Finance Limited has a security interest in the 222,820,000 Shares. Kingston Finance Limited is indirectly wholly-owned by Mrs. Chu Yuet Wah.*

All interests disclosed above represent long positions in the shares of the Company and there were no underlying shares or debentures of the Company held by the Directors or the chief executives of the Company as at 30 June 2018.

INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF ASSOCIATED CORPORATIONS

Name of director	Name of associated corporation	Capacity	Amount of Registered Capital# interested	Approximate percentage of shareholding
Zhao Ruiyong	Wusu Silk Road Small Towns Cultural Tourism Company Limited*（烏蘇絲路小鎮文旅有限公司）("**Wusu Company**") *(Note 2)*	Interest of a controlled corporation	RMB150,000,000	75.00%

\# *"Registered Capital" means the registered capital of Wusu Company in RMB, and Wusu Company has no shares, underlying shares or debentures.*

Note 2: Wusu Company is owned as to 25% and 75% by the Company and Great Wall Group respectively. Great Wall Group is in turn owned as to 66.67% by Mr. Zhao Ruiyong. Therefore, Wusu Company is an associated corporation of the Company and Mr. Zhao Ruiyong is deemed to be interested in the registered capital of RMB150,000,000 held by Great Wall Group pursuant to Part XV of the SFO.

All interests disclosed above represent long positions.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Save as disclosed above, as at 30 June 2018, none of the Directors or the chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2018, the interests and short positions of the persons, other than the Directors or the chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of Shares# interested	Approximate percentage of shareholding
Great Wall HK	Beneficial owner	222,820,000 *(Note 1 above)*	21.22%
Great Wall Group	Interest of a controlled corporation	222,820,000 *(Note 1 above)*	21.22%
Zhao Feifan（趙非凡）	Interest of a controlled corporation	222,820,000 *(Note 1 above)*	21.22%

\# *"Shares" means ordinary shares of HK$0.01 each in the share capital of the Company.*

All interests disclosed above represent long positions in the shares of the Company.

Save as disclosed above, as at 30 June 2018, no other person, other than the Directors and the chief executives of the Company, had any interest or short position in the shares and underlying shares of the Company recorded in the register required to be kept under section 336 of the SFO or otherwise notified to the Company.

SHARE OPTION SCHEME

The Company adopted a new share option scheme (the "**New Share Option Scheme**") and terminated the old share option scheme (adopted on 20 May 2015) (the "**Old Share Option Scheme**") at the annual general meeting (the "**AGM**") of the Company held on 28 June 2018, to recognise, motivate and provide incentives to those who make contributions to the Group.

The New Share Option Scheme shall be valid and effective for a period of 10 years up to 27 June 2028. The maximum number of share options which can be granted under the New Share Option Scheme is 105,028,000, representing 10% of the issued shares of the Company as at the date of the AGM. The summary of the principal terms of the New Share Option Scheme is set out in the circular of the Company dated 28 May 2018.

Since the adoption date of the New Share Option Scheme and up to 30 June 2018, no share option had been granted or agreed to be granted under the New Share Option Scheme; and as at the termination date of the Old Share Option Scheme, no share option had been granted or agreed to be granted under the Old Share Option Scheme.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors are committed to maintaining high standards of corporate governance in performing their obligations to act in the best interests of shareholders and enhance long-term shareholder value. Except for the deviation described below, no Director is aware of any information which would reasonably indicate that the Company is not, or was not at any time during the six months ended 30 June 2018, acting in compliance with the code provisions (the "**Code Provisions**") of the Corporate Governance Code and Corporate Governance Report (the "**Corporate Governance Code**") as set out in Appendix 14 to the Listing Rules.

COMPANY SECRETARY

Pursuant to Rule 3.28 of the Listing Rules, the Company must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. Further, pursuant to Code Provision F.1.1 of the Corporate Governance Code, the company secretary of the Company (the "**Company Secretary**") should be an employee of the Company and have day-to-day knowledge of the Company's affairs.

With effect from 13 March 2018, Ms. Chan Yim resigned as the Company Secretary. As a result, immediately after the resignation of Ms. Chan Yim, the Company fell below the requirements of Rule 3.28 of the Listing Rules and Code Provision F.1.1 of the Corporate Governance Code.

However, the Company has made its best endeavours to identify suitable candidate to be the Company Secretary in order to comply with the Listing Rules and the Corporate Governance Code. On 7 May 2018, Mr. Law Hoi Ching was appointed as the Company Secretary. Following the appointment, the Company has fully complied with the requirements of Rule 3.28 of the Listing Rules and Code Provision F.1.1 of the Corporate Governance Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' transactions in securities of the Company. All Directors have confirmed, following specific enquiries made by the Company, that they have fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2018.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors and the chief executives of the Company subsequent to the date of the 2017 Annual Report of the Company are as follows:

Mr. Zhao Ruiyong ceased to be the chairman of the board of Hangzhou Tian-Mu-Shan Pharmaceutical Co., Ltd.*（杭州天目山藥業股份有限公司）(the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600671)).

Mr. Yeung Chun Sing standly resigned as an executive director of the Company with effect from 31 May 2018.

Mr. Wong Xiang Hong resigned as an executive director of the Company with effect from 25 July 2018.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018 have been reviewed by the Audit Committee before they were duly approved by the Board.

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

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

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2018, the Group had 42 (31 December 2017: 55) employees in China, Hong Kong and Singapore and its total staff costs for the six months ended 30 June 2018 were approximately HK$11.1 million (30 June 2017: approximately HK$23.7 million).

The Group's remuneration policies and structure have remained unchanged since the date of the 2017 Annual Report of the Company. A new share option scheme was adopted by the Company on 28 June 2018 as set out in the section headed "Share Option Scheme" on page 30 of this report.

ENVIRONMENTAL AWARENESS

Over the years, the Group has made considerable endeavours in reducing waste in the course of its operations. Since 2015, the Company has participated in the "Wastewi$e Certificate" of the Hong Kong Green Organisation Certification, which is a recognition scheme established by, among others, the Environmental Protection Department and Environmental Campaign Committee to encourage Hong Kong businesses and organisations in adopting structured measures to reduce the amount of waste generated within their establishments or generated through the services and products they provide.

CHANGE OF COMPANY NAME

The English name of the Company has been changed from "e-Kong Group Limited" to "Great Wall Belt & Road Holdings Limited" and the Chinese name "長城一帶一路控股有限公司" has been adopted as the secondary name of the Company (the "**Change of Company Name**").

The Change of Company Name was approved by the shareholders of the Company at the special general meeting of the Company held on 6 April 2018. The Certificate of Incorporation on Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 23 April 2018. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 25 May 2018 confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

* *For identification purpose only*

By Order of the Board
Zhao Ruiyong
Chairman and Executive Director

Hong Kong, 30 August 2018