中國金洋集團有限公司
CHINA GOLDJOY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1282)

2017 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "Board") of China Goldjoy Group Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017 as follows:

The interim consolidated results are unaudited but have been reviewed by the Company's audit committee and the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	4	**337,561**	328,465
Cost of sales		**(257,603)**	(235,313)
Gross profit		**79,958**	93,152
Other gain — net	5	**27,046**	9,355
Other income	5	**68,650**	320
Fair value gain on investment properties		**66,979**	–
Distribution costs		**(11,759)**	(10,273)
Administrative expenses		**(95,188)**	(77,480)
Operating profit	5	**135,686**	15,074
Finance (costs)/income — net	6	**(1,218)**	14,661
Share of losses of associates		**(3,373)**	(157)
Profit before income tax		**131,095**	29,578
Income tax expense	7	**(25,862)**	(14,613)
Profit for the period		**105,233**	14,965
Profit attributable to			
— owners of the Company		**89,860**	14,851
— non-controlling interests		**15,373**	114
		105,233	14,965
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Fair value gain/(loss) on available-for-sale financial assets		**95,476**	(79,398)
Currency translation differences		**(21,853)**	(16,470)
Other comprehensive income/(loss) for the period		**73,623**	(95,868)
Total comprehensive income/(loss) for the period attributable to			
— owners of the Company		**163,483**	(81,017)
— non-controlling interests		**15,373**	114
		178,856	(80,903)
Earnings per share for profit attributable to equity holders of the Company			
— basic (expressed in Hong Kong cents per share)	8	**0.41**	0.07
— diluted (expressed in Hong Kong cents per share)	8	**0.41**	0.07

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	**As at 30 June 2017 HK$'000 (Unaudited)**	As at 31 December 2016 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**401,348**	387,223
Investment properties		**1,704,532**	1,590,524
Intangible assets		**199,246**	202,659
Investments in associates		**5,300**	82,207
Available-for-sale financial assets	10	**1,406,865**	986,777
Trade receivables	12	**10,047**	3,377
Prepayments		**6,500**	–
		3,733,838	3,252,767
Current assets			
Inventories		**48,524**	36,069
Loans and advances	11	**938,024**	987,605
Trade receivables	12	**240,381**	234,420
Prepayments, deposits and other receivables		**153,437**	34,033
Current income tax recoverables		**1,327**	1,651
Held-to-maturity investment		**60,000**	25,000
Financial assets at fair value through profit or loss	13	**781,898**	748,901
Client trust bank balances		**408,427**	50,485
Cash and cash equivalents		**1,134,156**	1,535,633
		3,766,174	3,653,797
Assets classified as held-for-sale		**84,994**	99,176
		3,851,168	3,752,973
Total assets		**7,585,006**	7,005,740
EQUITY			
Owner's equity attributable to the Company's equity holders			
Share capital		**2,214,860**	2,214,860
Share premium		**2,402,151**	2,402,151
Other reserves and retained earnings		**178,193**	85,586
		4,795,204	4,702,597
Non-controlling interests		**462,138**	446,765
Total equity		**5,257,342**	5,149,362

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2017

	Note	**As at 30 June 2017 HK$'000 (Unaudited)**	As at 31 December 2016 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Other payables		**257,159**	257,159
Borrowings		**21,172**	–
Deferred income tax liabilities		**200,751**	184,915
		479,082	442,074
Current liabilities			
Trade and bills payables	14	**510,753**	176,563
Accruals and other payables		**389,684**	413,516
Borrowings		**892,042**	779,572
Current income tax liabilities		**39,076**	27,323
		1,831,555	1,396,974
Liabilities classified as held-for-sale		**17,027**	17,330
		1,848,582	1,414,304
Total liabilities		**2,327,664**	1,856,378
Total equity and liabilities		**7,585,006**	7,005,740

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Attributable to the equity holders of the Company											
	Share capital *HK$'000*	Share premium *HK$'000*	Merger reserve *HK$'000*	Capital reserve *HK$'000*	Share option reserve *HK$'000*	Statutory reserve *HK$'000*	Other reserve *HK$'000*	Available-for-sale financial assets *HK$'000*	Exchange reserve *HK$'000*	Retained earnings *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
(Unaudited)												
For the six months ended 30 June 2017												
At 1 January 2017	2,214,860	2,402,151	(215,150)	12,411	370	71,370	(224,488)	(25,825)	3,768	463,130	446,765	5,149,362
Profit for the period	–	–	–	–	–	–	–	–	–	89,860	15,373	105,233
Other comprehensive income:												
Fair value gain on available-for-sale financial assets	–	–	–	–	–	–	–	95,476	–	–	–	95,476
Currency translation differences	–	–	–	–	–	–	–	–	(21,853)	–	–	(21,853)
Total other comprehensive income/(loss)	–	–	–	–	–	–	–	95,476	(21,853)	–	–	73,623
Total comprehensive income/(loss)	–	–	–	–	–	–	–	95,476	(21,853)	89,860	15,373	178,856
Dividend relating to 2016 paid during the period	–	–	–	–	–	–	–	–	–	(70,876)	–	(70,876)
At 30 June 2017	2,214,860	2,402,151	(215,150)	12,411	370	71,370	(224,488)	69,651	(18,085)	482,114	462,138	5,257,342

	Attributable to the equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital reserve HK$'000	Share option reserve HK$'000	Statutory reserve HK$'000	Available-for-sale financial assets HK$'000	Exchange reserve HK$'000	Retained earnings HK$'000	Non-controlling interests HK$'000	Total HK$'000
(Unaudited)											
For the six months ended 30 June 2016											
At 1 January 2016	2,154,860	2,054,151	(215,150)	12,411	370	33,987	54,304	(14,798)	69,870	–	4,150,005
Profit for the period	–	–	–	–	–	–	–	–	14,851	114	14,965
Other comprehensive loss:											
Fair value loss on available-for-sale financial assets	–	–	–	–	–	–	(79,398)	–	–	–	(79,398)
Currency translation differences	–	–	–	–	–	–	–	(16,470)	–	–	(16,470)
Total other comprehensive loss	–	–	–	–	–	–	(79,398)	(16,470)	–	–	(95,868)
Total comprehensive (loss)/income	–	–	–	–	–	–	(79,398)	(16,470)	14,851	114	(80,903)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	6,261	6,261
Dividend relating to 2015 paid during the period	–	–	–	–	–	–	–	–	(53,871)	–	(53,871)
At 30 June 2016	2,154,860	2,054,151	(215,150)	12,411	370	33,987	(25,094)	(31,268)	30,850	6,375	4,021,492

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

China Goldjoy Group Limited (the "Company") was incorporated in the Cayman Islands on 17 July 2009 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively the "Group") are principally engaged in the trading and provision of services with respect to automation related equipment (the "Automation"), financial services (the "Financial Services"), manufacturing of a range of high-technology and new energy products (the "Manufacturing"), property investment and development (the "Property Investment and Development") and securities investment (the "Securities Investment").

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 15 December 2010.

This condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information has been approved for issue on 25 August 2017.

This condensed consolidated interim financial information has been reviewed, not audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2017 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

The following amendments and interpretations to existing standards that have been issued and effective for annual periods beginning on or after 1 January 2017 with no material impact on the Group's result of operations and financial position:

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvement Project	Annual Improvement 2014-2016 Cycle

The following new and amended standards and interpretations to the existing standards that have been issued but are not effective for the financial year beginning 1 January 2017 with no early adoption:

		Effective for annual periods beginning on or after
HKFRS 40 (Amendments)	Transfers of Investment Property	1 January 2018
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendments)	Clarifications to HKFRS 15	1 January 2018
HK (IFRIC) Int-22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contract	1 January 2018
Annual Improvement Project	Annual Improvement 2014-2016 Cycle	1 January 2018
HKFRS 16	Leases	1 January 2019
HK (IFRIC) Int-23	Uncertainty over Income Tax Treatments	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management is in the process of making an assessment of the impact of these standards, amendments and interpretations to existing standards and is not yet in a position to state whether they will have a significant impact on the Group's result of operations and financial position.

HKFRS 9, "Financial instruments"

HKFRS 9 "Financial instrument" addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities, there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in the other comprehensive income, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets and financial liabilities.

There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. For trade receivables, contract assets and lease receivables, a simplified approach can be selected by the Group to measure the lifetime expected credit losses.

HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and the "hedged ratio" to be the same as that used by management for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39.

The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group does not plan to early adopt this standard.

HKFRS 15, "Revenue from contracts with customers"

HKFRS 15 "Revenue from contracts with customers" replaces the previous revenue standards HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations on revenue recognition. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (i) identity the contract(s) with customer; (ii) identify separate performance obligations in a contract; (iii) determine the transaction price; (iv) allocate transaction price to performance obligations; and (v) recognise revenue when performance obligation is satisfied. The core principal is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an "earnings processes" to an "asset-liability" approach based on transfer of control. HKFRS 15 provides specific guidance on capitalisation of contract cost and license arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Under HKFRS 15, an entity normally recognises revenue when a performance obligation is satisfied. Impact on the revenue recognition may arise when multiple performance obligation are identified.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

HKFRS 16, "Leases"

HKFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on the consolidated balance sheet for lessees. HKFRS 16 provides a new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the consolidated balance sheets. Instead, when the Group is the lessee, almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group's consolidated balance sheets. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation.

The Group is a lessee of various properties which are currently classified as operating leases. As at 30 June 2017, the Group's total operating lease commitments amounted to HK$22,589,000. The new standard will therefore result in an increase in assets and financial liabilities in the Group's consolidated statement of financial position upon adoption. As for the financial performance impact in the Group' consolidated statements of comprehensive income, straight-line depreciation expense on the right-of-use asset and the interest expenses on the lease liability are recognised and no rental expenses will be recognised. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the Group's profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer of the Company (the "CEO") that are used to make strategic decisions.

In order to broaden the source of income and offer better returns to Shareholders, the Board has adopted property development and investments as one of the principal business activities of the Group during the six months ended 30 June 2017. The adoption of this new segment resulted in a change in the presentation of information reviewed by the CEO. The investment properties previously presented as unallocated segment asset is now presented as segment asset under the Property Investment and Development Segment. The Directors will seek investment and development opportunities in the property market in Hong Kong and in the PRC so as to better utilise the existing resources of the Group to maximise return to the Shareholders, broaden the income source and improve the financial position of the Group.

The reportable segments were classified as Automation, Financial Services, Manufacturing, Property Investment and Development and Securities Investment.

The revenue from external parties reported to the CEO is measured in a manner consistent with that in the condensed consolidated interim financial information.

The CEO assesses the performance of the operating segments based on a measure of operating profit, which is in a manner consistent with that of the condensed consolidated interim financial information.

Sales between segments are carried out at arm's length. The Group's revenue by segment is as follows:

	Six months ended 30 June 2017			Six months ended 30 June 2016		
	Total segment revenue	**Inter segment revenue**	**Revenue from external customers**	Total segment revenue	Inter segment revenue	Revenue from external customers
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Automation	**275,064**	**–**	**275,064**	264,124	–	264,124
Financial Services	**66,007**	**(972)**	**65,035**	1,199	–	1,199
Manufacturing	**15,753**	**–**	**15,753**	21,698	–	21,698
Property Investment and Development	**13,445**	**(4,274)**	**9,171**	–	–	–
Securities Investment	**(27,462)**	**–**	**(27,462)**	41,444	–	41,444
Total	**342,807**	**(5,246)**	**337,561**	328,465	–	328,465

Reportable segment information is reconciled to profit before income tax as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Operating profit/(loss)		
Automation	**12,095**	11,053
Financial Services	**22,692**	1,010
Manufacturing	**(6,424)**	(23,985)
Property Investment and Development	**70,349**	–
Securities Investment	**13,569**	32,565
Total	**112,281**	20,643
Unallocated		
Other gain — net	**27,038**	10,855
Other income	**7,313**	3
Administrative expenses	**(10,946)**	(16,427)
Finance (costs)/income — net	**(1,218)**	14,661
Share of losses of associates	**(3,373)**	(157)
Profit before income tax	**131,095**	29,578

Certain other gain – net, other income and administrative expenses are not allocated to segments, as they are inseparable and not attributable to particular reportable segments. Finance (costs)/income – net and share of losses of associates are not allocated to segments, as these type of activities are managed by the central finance and accounting function, which manages the working capital of the Group.

The assets attributable to different reportable segments are reconciled to total assets as follows:

	As at 30 June 2017 HK$'000 (Unaudited)	As at 31 December 2016 *HK$'000* (Audited)
Segment assets		
Automation	**351,029**	366,135
Financial Services	**1,658,816**	1,356,026
Manufacturing	**108,456**	134,876
Property Investment and Development	**1,715,340**	1,594,810
Securities Investment	**2,518,942**	1,753,390
Segment assets for reportable segments	**6,352,583**	5,205,237
Unallocated		
Property, plant and equipment	**378,920**	371,495
Available-for-sale financial assets	**217,885**	170,280
Investments in associates	**5,300**	82,207
Prepayments, deposits and other receivables	**8,955**	4,245
Current income tax recoverables	**1,327**	1,651
Held-to-maturity investment	**–**	25,000
Financial assets at fair value through profit or loss	**23,280**	23,280
Cash and cash equivalents	**511,762**	1,023,169
	1,147,429	1,701,327
Assets classified as held-for-sale	**84,994**	99,176
Total assets	**7,585,006**	7,005,740

The information provided to the CEO with respect to total assets are measured in a manner consistent with that of the annual consolidated financial statements for the year ended 31 December 2016. Segment assets represented property, plant and equipment, loans and advances, client trust bank balances, investment properties, available-for-sale financial assets, intangible assets, trade receivables, prepayments, deposits and other receivables, cash and cash equivalents, goodwill, inventories, held-to-maturity investment and financial assets at fair value through profit or loss attributable to various reportable segments.

Unallocated segment assets comprise property, plant and equipment, prepayments, deposits and other receivables, cash and cash equivalents, investments in associates, current income tax recoverables, held-to-maturity investment, available-for-sale financial assets, financial assets at fair value through profit or loss, and assets classified as held-for-sale which are inseparable and are not attributable to particular reportable segments.

5 OPERATING PROFIT, OTHER GAIN — NET AND OTHER INCOME

The following items have been (credited)/charged to the operating profit during the period:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	**3,484**	1,532
Depreciation of property, plant and equipment	**5,573**	279
(Gain)/loss on disposal of property, plant and equipment	**(2,473)**	289
Transaction cost in relation to acquisition of a subsidiary	**–**	660
Provision for impairment on trade receivables	**516**	–

Other gain — net and other income		
Other gain/(loss) — net		
Reversal of provision	**1,920**	–
Gain on disposal of investment in an associate	**24,974**	–
Impairment loss on other receivables	**(657)**	–
Gains on disposal of available-for-sale financial assets	**895**	10,629
Impairment loss on goodwill	**–**	(1,500)
Others	**(86)**	226
	27,046	9,355
Other income		
Dividend income	**59,416**	–
Patent's license income	**3,394**	–
Others	**5,840**	320
	68,650	320

6 FINANCE (COSTS)/INCOME — NET

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance income		
— Interest income on bank deposits	**6,871**	8,244
— Interest income on loan to an independent third party	**–**	6,887
	6,871	15,131
Finance costs		
— Bank loans	**(7,187)**	(451)
— Trust receipt loans	**(730)**	(19)
— Corporate bonds	**(172)**	–
	(8,089)	(470)
Finance (costs)/income — net	**(1,218)**	14,661

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
— Hong Kong profits tax	**9,249**	3,136
— Overseas and PRC income tax	**860**	313
	10,109	3,449
Deferred income tax	**15,753**	11,164
	25,862	14,613

Provision for income tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2017 (for the six months ended 30 June 2016: 16.5%).

The statutory income tax rate applicable to entities operating in the PRC is 25% (for the six months ended 30 June 2016: 25%).

8 EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the period is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(HK$'000)*	**89,860**	14,851
Weighted average number of ordinary shares in issue *(thousands)*	**22,148,598**	21,548,598
Basic earnings per share (expressed in Hong Kong cents per share)	**0.41**	0.07

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to equity holders of the Company *(HK$'000)*	**89,860**	14,851
Weighted average number of ordinary shares in issue (thousands)	**22,148,598**	21,548,598
Adjustments for:		
— Share options *(thousands)*	**767**	1,007
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**22,149,365**	21,549,605
Diluted earnings per share (expressed in Hong Kong cents per share)	**0.41**	0.07

9 DIVIDEND

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
2016 final dividend paid — HK$0.32 (2015: HK$0.25) cents per share	**70,876**	53,871

No interim dividend was declared by the board of directors for the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil).

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 30 June 2017	As at 31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed shares	**1,319,399**	931,311
Unlisted shares	**87,466**	55,466
	1,406,865	986,777

Certain unlisted shares of aggregated carrying amount of HK$87,466,000 (2016: HK$55,466,000) are measured at fair value determined by using discounted cash flow approaches which are not based on observable inputs.

The fair values of listed shares are determined on the basis of their quoted market prices at the end of reporting period.

At the end of reporting period, the Group's available-for-sale financial assets were individually reviewed for impairment by management. There was no provision for impairment recognised in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2017 and 2016.

Listed securities of aggregated carrying amount of HK$864,282,000 (2016: HK$816,497,000) have been pledged to a bank to secure bank borrowings.

11 LOANS AND ADVANCES

	As at 30 June 2017	As at 31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loans and advances	**606,341**	575,711
Margin loans receivables	**331,683**	411,894
	938,024	987,605

12 TRADE RECEIVABLES

	As at 30 June 2017 HK$'000 (Unaudited)	As at 31 December 2016 HK$'000 (Audited)
Trade receivables	**253,445**	240,298
Less: Provision for impairment of receivables	**(3,017)**	(2,501)
Trade receivables — net	**250,428**	237,797
Less: non-current portion	**(10,047)**	(3,377)
Current portion	**240,381**	234,420

The Group generally grants a credit period of 30 days to 90 days to its customers. For customers of automation products, a credit period ranging from 30 days to 60 days after acceptance is granted. For customers of financial services, loan agreements are signed and contain a repayable on demand clause which gives the Group the unconditional right to call the loan at any time. The amounts receivable are classified as on demand. The ageing analysis of trade receivables based on invoice date is as follows:

	As at 30 June 2017 HK$'000 (Unaudited)	As at 31 December 2016 HK$'000 (Audited)
On demand		
0 to 30 days	**157,533**	123,266
31 to 60 days	**30,960**	37,477
61 to 90 days	**14,474**	14,703
91 to 120 days	**15,211**	6,885
Over 120 days	**35,267**	57,967
	253,445	240,298

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2017	As at 31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed securities		
– Equity securities – China	**149,810**	39,619
– Equity securities – Hong Kong	**608,808**	686,002
	758,618	725,621
Other securities	**23,280**	23,280
	781,898	748,901

14 TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 30 June 2017	As at 31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**479,268**	98,059
31 to 60 days	**2,936**	20,953
61 to 90 days	**10,076**	8,248
91 to 120 days	**4,083**	8,487
Over 120 days	**14,390**	40,816
	510,753	176,563

15 SUBSEQUENT EVENTS

On 4 August 2017, the Group entered into a sale and purchase agreement with 萊華商置有限公司 (for identification only, Lai Hua Properties and Investment Limited), pursuant to which the Group conditionally agreed to acquire and the Vendor conditionally agreed to sell all the equity interests of 萊華泰盛有限公司 (for identification only, LaiHua TaiSheng Limited) at a consideration of RMB1,720,000,000 (equivalent to approximately HK$1,997,659,600). The transaction constitutes a major transaction for the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Development efforts made by the Group in the first half of 2017 continued to perform well, profits of the Group in the first half of 2017 significantly increased approximately six times to HK$105.2 million.

Following the launch of the Shanghai-Hong Kong Stock Connect in 2014 and the Shenzhen-Hong Kong Stock Connect last year, the launch of Bond Connect in the first half of 2017 presented the Hong Kong capital market with yet more opportunities. With a shrewd and aggressive management team, China Goldjoy has transformed and diversified its business to include high-value service operations that promise abundant business opportunities. The Group's shares are included in a number of HSI constituent stocks, and also as one of the stocks eligible for trading under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect schemes. Moreover, it has officially been included as a constituent stock of the MSCI Hong Kong Small Cap Index since 1 June 2017, which reflected its market recognition.

During the first half of 2017, the Group has principally been engaged in Automation, Financial Services, Manufacturing, Property Investment and Development, and Securities Investment business.

Business Review

Automation

During the period under review, the Automation segment saw a stable increase in revenue of 4.2% to HK$275.1 million (30 June 2016: HK$264.1 million), accounting for 81.5% of the Group's total revenue (30 June 2016: 80.4%). The increase was mainly attributable to the robust development of the smart phone and semiconductor industry in the PRC.

Financial Services

Revenue from the Financial Services segment of the Group during the first half of 2017 increased significantly to HK$65.0 million (30 June 2016: HK$1.2 million), contributing to 19.3% of the Group's total revenue (30 June 2016: 0.4%). The notable increase was due to the consolidation of the financial statements of Goldjoy Holding Limited ("Goldjoy Holding"), an 80%-owned financial services platform, into the Group, after the completion of the acquisition and two rounds of financing in the second half of 2016.

Through its subsidiaries, Goldjoy Holding holds major financial service licences under the Securities and Futures Ordinance ("SFO"), namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management), for regulated activities. It also provides loan and credit financing services in Hong Kong, capable of conducting businesses in 99%-Gold, HK Dollar, Kilobar, London Gold, London Silver etc., and has obtained the Private Equity Fund Manager License in Mainland China. Goldjoy Holding offers comprehensive financial services to its clients and creates better synergies from cross-selling and having an all engaging platform that gives clients convenient access to different financial services.

During the period under review, the income from the commission and handling fees of brokerage service of the Group was steady. The Group will adopt a multi-channel, multi-form marketing approach to increase the number of customers and promote the continuous increase of customer assets.

As the increase in capital had enhanced the lending capacity of the Group, coupled with the active development of customers, revenues of the lending and financing business of the Group grew rapidly. The Group will continue to strengthen risk control, prudent management and maintain the steady development of lending and financing business.

China Goldjoy Asset Management Limited ("China Goldjoy Asset Management") sets up three new private funds during the period under review. These three private funds adopt various investment strategies to match the risk tolerance levels of different investors. Apart from promoting product diversification, the Group's asset management arm has also actively looked for local and overseas partners in developing the fund management business.

Apart from the Hong Kong financial market, the Group also strives to capture the enormous growth potential in the foreign and domestic financial market. China Goldjoy Investment Limited, which wholly owns Shanghai Hunlicar Investment Management Company Limited ("Hunlicar Capital"), sets up four private equity investment ("PE") funds during the period under review. Currently operating five equity investment funds, Hunlicar Capital is one of the few equity investment fund management enterprises in Mainland China active in different asset categories including bonds, currencies, shares, commodities and derivatives.

During the first half of 2017, the Group manages a total of 11 funds in Hong Kong and Mainland China. In addition, Goldjoy Holding also obtained the QFLP license in the Qianhai free trade zone in Shenzhen during the period under review and extended assets management business to equity investment management.

Since obtaining the Type 6 License in January 2017 to the end of the first half of the year, China Goldjoy Securities Limited ("China Goldjoy Securities") has completed a number of transactions in the field of equities and debt capital markets, investment and provision of equity loans, so as to increase new profit growth point for the Group.

Manufacturing

High-end manufacturing of the Group developed, as the Group had exited all its low-margin and low value-adding electronic manufacturing business. Thus, inevitably, revenue from the segment decreased by 27.2%, to HK$15.8 million (30 June 2016: HK$21.7 million), accounting for 4.7% of the Group's total revenue (30 June 2016: 6.6%). However, the management believes the transformation was necessary and is conducive to the Group's long-term sustainable development, as evidenced by the narrowing loss incurred by the segment.

At the same time, the Group is also actively seeking opportunities in manufacturing transformations and upgrading, as well as supply-side reform to step into the high end manufacturing industry with high added value. Currently, the manufacturing business comprises light-emitting diode ("LED") manufacturing, research & development, and installation (the "LED lighting business") with revenue mainly coming from 深圳寶耀科技有限公司 (for identification only, Shenzhen Bao Yao Technology Co., Limited) ("Shenzhen Bao Yao") and its subsidiary. Though the revenue from the LED lighting business which is at its early stage of development is not significant at the moment, the management sees huge growth potential in that business.

Properties Investment and Development

In recent years, the Group has been active in identifying suitable property investment and development opportunities in Hong Kong and Mainland China.

In 2016, the Group acquired 75.5% equity interests of 深圳邦凱新能源有限公司 (for identification only, Shenzhen B&K New Energy Co., Ltd.) ("Shenzhen B&K"). Apart from providing the Group with additional resources to develop LED lighting business, and strengthened its research and development capacity, Shenzhen B&K also provides the Group with an opportunity to involve in the property investment business in Mainland China. Shenzhen B&K holds a piece of land (the "Land") with area of approximately 120,000 square meters in the core area of Guangming New District in Shenzhen. Construction of properties of approximately 100,000 square meters on the Land was completed and the remaining undeveloped land is reserved for the development of a science and technology industrial park.

The Group acquired several properties in Admiralty, Hong Kong in November and December 2016. Part of the acquired spaces are being used as the head office of the Group and offices of the Group's subsidiaries, and the rest are for investment purpose. In view of the prime location and continuous market demand in Grade A office buildings in Hong Kong, the investment properties are expected to bring impressive return on investment to the Group. With property investment added as a principal business activity, the Group will look for appropriate properties around the world for investment purpose.

Securities Investment

The Securities Investment segment consists of investment in listed shares at both Hong Kong and Mainland China, recorded a loss of HK$27.5 million (30 June 2016: gain of HK$41.4 million). Despite the decrease in investment revenues, the dividend income from the segment increased by HK$52.2 million as compared with the same period of last year.

Investment and Partnership

Innovative technology is set to become one of the driving forces of tomorrow's economy, the Group continues the investment strategy of investing in various top-notch industry-leading technology companies, particularly those specialising in biometric security, wireless data transmission and communications technologies. The Group will also continue to focus on investment opportunities in innovation technology industries in domestic and foreign markets. Also, to capture development opportunities in Mainland China financial services enterprises with outstanding prospects, the Group also invested in domestic financial institutions.

(a) *Listed Companies*

As at 30 June 2017, the Group held shares in the following listed technology companies: 1) BIO-key International, Inc. (NASDAQ:BKYI) (a U.S. public company specialising in advanced biometric solutions, which was previously listed on the OTCQB and since 25 July 2017 on the Nasdaq Capital Market); and 2) IDEX ASA (IDEX:OSL) (a Norwegian company that develops and sells information technology products and is listed on the Oslo Axess market of the Oslo Stock Exchange,).

As a long-term investment, the Group held approximately 5.47% and 1.16% of the total H Shares and total issued shares respectively of China Zheshang Bank Co., Ltd. (HKEX: 2016) and approximately 4.8% and 1.4% of the total H Shares and total issued shares respectively of Bank of Zhengzhou Co. Ltd. (HKEX: 6196) as at 30 June 2017.

(b) *Unlisted Companies*

As at 30 June 2017, the Group held shares in the following unlisted companies: 1) Kili Technology Corporation (a Canadian privately-held technology company primarily engages in authentication in civilian markets and secure payment software technology; 2) Keyssa Inc. (a U.S. privately-held company that develops wireless technology for data transfer); and 3) Powermat Technologies Ltd. (a U.S. privately-held company which provides wireless power solutions to consumers, OEMs and public places).

Financial Review

Revenue

The Group's revenue for the six months ended 30 June 2017 increased by 2.8% to approximately HK$337.6 million (2016: HK$328.4 million). The revenue analysis by segment is shown below:

	30 June 2017		30 June 2016		
	HK$' million	***Proportion to total revenue***	*HK$' million*	*Proportion to total revenue*	*% change*
Automation	**275.1**	**81.5%**	264.1	80.4%	4.2%
Financial Services	**65.0**	**19.3%**	1.2	0.4%	5,316.7%
Manufacturing	**15.8**	**4.7%**	21.7	6.6%	(27.2%)
Property Investment and Development	**9.2**	**2.7%**	–	–	N/A
Securities Investment	**(27.5)**	**(8.2%)**	41.4	12.6%	(166.4%)
	337.6	**100%**	328.4	100%	2.8%

The increase in revenue during the period under review was mainly attributable to the increased revenue from the newly added Financial Services segment and offset by the decrease in revenue from the Securities Investment segment. The Automation segment continued to be the major revenue source of the Group, accounting for 81.5% of the total revenue. The Group completed transforming its business by eliminating the low-margin and low value-adding electronic manufacturing business, and introduced the LED lighting business only in the second quarter of 2016. Thus, the revenue contribution from the manufacturing segment remained small.

Gross Profit and Margin

Gross profit and margin for the period decreased by 14.2% to approximately HK$80.0 million (2016: HK$93.2 million), and to 23.7% (2016: 28.4%), respectively, mainly in relation to (i) increase in commission paid by HK$9.2 million in the Financial Services segment; and (ii) decrease in fair value of securities investment.

Other Gains – Net

The net other gains increased by HK$17.7 million as compared with the corresponding period in 2016, mainly due to the gain in disposal of an associated entity amounted to HK$25.0 million.

Other Income

The other income increased to approximately HK$68.7 million (2016: HK$0.3 million), mainly due to the dividend income of HK$59.4 million from avaliable-for-sale investments.

Distribution Costs

Distribution costs increased to approximately HK$11.8 million (2016: HK$10.3 million), approximately 3.5% (2016: 3.1%) in proportion to total revenue. The increase was mainly due to the increase in commission paid to sales agent in the Automation segment as compared with the corresponding period in 2016.

Administrative Expenses

Administrative expenses increased to approximately HK$95.2 million (2016: HK$77.5 million), mainly in relation to (i) increase in staff salary and directors' emoluments by HK$13.0 million caused by business expansion; and (ii) increase in depreciation and utilities by HK$5.3 million and HK$2.5 million caused by self-used offices and workshops, respectively.

Finance (Costs)/Income – Net

Net finance costs was approximately HK$1.2 million (2016 net finance income: HK$14.7 million). The change primarily resulted from an increase in bank borrowings as compared with the corresponding period in 2016.

Income Tax Expense

Income tax expense increased by approximately 77.0% to approximately HK$25.9 million (2016: HK$14.6 million) due to the increase in taxable profits.

Profit for the Period

Profit for the first half of 2017 increased significantly to approximately HK$105.2 million (2016: HK$15.0 million). The increase was primarily attributed to (i) an increase in fair value gain of the investment properties, (ii) an increase in dividend income from investments, (iii) the gain in the disposal of an associated entity amounted to approximately HK$25.0 million, (iv) an increase in profit generated by the Financial Services segment, (v) reduced loss incurred by the Manufacturing segment, and partially offset by the decrease in profit generated by the Securities Investment segment and increase in the net finance costs.

FINANCIAL RESOURCES REVIEW

Liquidity, Financial Resources and Debt Structure

Adopting a conservative financial management approach, the Group continued to maintain a healthy and solid liquidity position. As at 30 June 2017, the Group's cash and cash equivalents totalled approximately HK$1,134.2 million (31 December 2016: HK$1,535.6 million). Working capital represented by net current assets amounted to approximately HK$2,002.6 million (31 December 2016: HK$2,338.7 million). Current ratio was approximately 2.1 (31 December 2016: 2.7).

Borrowings of the Group as at 30 June 2017 included corporate bonds of approximately HK$21.2 million (31 December 2016: Nil), trust receipt loans of approximately HK$94.4 million (31 December 2016: HK$98.5 million) and bank loans of approximately HK$797.7 million (31 December 2016: HK$681.1 million). These bank borrowings were secured by corporate guarantees provided by the Company and certain of its subsidiaries and secured by building and listed securities with carrying amount of approximately HK$365.7 million and HK$864.3 million respectively. The Group was in a net cash position of approximately HK$220.9 million as at 30 June 2017 (31 December 2016: HK$756.1 million).

Capital Commitments

As at 30 June 2017, the Group had contracted but not provided for capital commitments of HK$2,182.4 million (31 December 2016: HK$151.8 million), and did not have any authorised but not contracted for capital commitments (31 December 2016: Nil).

Currency Exposure and Management

During the period, the Group's receipts were mainly denominated in Hong Kong dollars, Renminbi and US dollars. The Group's payments were mainly made in Hong Kong dollars, Renminbi and US dollars.

As the production of the manufacturing segment and automation business activities are mainly undertaken in Mainland China, most costs and overheads are denominated in Renminbi. As such, fluctuation of the Renminbi will have an impact on the Group's profitability. The Group will closely monitor movements of Renminbi and, if necessary, consider entering into foreign exchange forward contracts with reputable financial institutions to reduce potential exposure to currency fluctuations. During the period under review, the Group had not entered into any foreign exchange forward contracts.

Future plans for capital investment and expected source of funding

The Group finances its operating and capital expenditures mainly by internal resources such as operating cash flow and shareholders' equity, and to an extent by bank borrowings. The Group has sufficient resources and unutilised banking facilities to meet its capital expenditure and working capital requirement.

EMPLOYEES

As at 30 June 2017, the Group had approximately 540 full-time employees mainly in Hong Kong and Mainland China (31 December 2016: 400).

The Group remunerates and provides benefits to employees based on current industry practice. Discretionary bonuses are awarded to staff members based on the financial performance of the Group and performance of individual employees.

BUSINESS OUTLOOK

With the business transformation completed, the Group will pursue the strategy of diversifying its business and developing value-added businesses at full strength. It will actively seek suitable investment opportunities that can benefit the long-term development of the Group.

To capture the enormous growth potential in the financial services market in the Greater China region, efforts will be committed to expanding the number of high-end customers, enriching and optimizing business portfolio, enhancing sales and trading capacity, and providing customers with more comprehensive financial services under the premise of controlling risk and focusing on compliance.

The Group has an experienced management team, and actively develops assets management and wealth management business in Hong Kong and Mainland China. The Group will put more efforts in the operation of issued fund products, enhancing the investment and R&D capabilities of financial products, continue to diversify its products portfolio and expand local and overseas cooperation opportunities. In view of the fact that it has become a qualified foreign institutional investor, the Group plans to set up its first equity investment fund in Shenzhen in the second half of 2017 which will invest in intelligent manufacturing, biomedicine and other emerging industries for providing overseas investors with a channel to participate in equity investment in Mainland China.

For the different needs of clients, the Group's wealth management arm plans to further enhance its service quality, and product development and risk management ability. It will provide extensive training to both frontline and back office staff, introduce MPF, insurance service and immigration consulting service to fulfil clients' needs. It will also recruit more senior compliance personnel to enhance its internal risk surveillance and monitoring system to ensure the Group can meet the standards prescribed by regulatory authorities in Hong Kong.

The Group will also put more resources in financing services business of institutional clients. As the management sees potential of the bond market to better serve its corporate and government clients in Mainland China and Hong Kong, the Group had built a team of professionals in the debt capital market to develop such related services. The Group is committed to building a competitive investment banking team and will cater closely for customers' needs to provide services in equity & debt financing and Mergers & Acquisitions transactions.

Regarding the automation segment, in order to better serve customers and broaden profitability, the Group's wholly-owned subsidiary Gallant Tech Limited ("Gallant Tech") also actively explored the new business direction of combining the leasing industry and financial market, and providing the financial leasing services of high-end manufacturing and large-scale equipment through its Shenzhen Gallant Tech Finance Leasing Co., Limited, to continue speeding up developing the equipment finance leasing business to diversity its revenue stream. In addition, Gallant Tech will monitor investment opportunities in smart manufacturing and smart production system, with the aim of enhancing its competitiveness in the industry.

Since 2016, the Group has been directing efforts into establishing the new energy including but not limited to the LED lighting business. Apart from the LED lights installation works at the private sector that the Group is currently engaging in, it has been actively seeking opportunities in the LED lighting projects at the public sector of Mainland China. Boasting leading-edge research and development and manufacturing capabilities, the Group plans to expand this business to overseas market and is studying the feasibility of setting up a factory in India.

With the implementation of a diversified development strategy in recent years, the Group has been looking for property investment opportunities in major cities and regions with development potential, so as to seize the business opportunities in the booming real estate market. With the properties of Phase I in operating leasing and Phase II of construction in progress, the entire science and technology industrial park on the land owned by Shenzhen B&K is expected to be completed by the end of 2018.

Following the acquisition of a number of properties since 2016, the Group is optimistic about the real estate market prospects in Hong Kong and Mainland China and the Board sees appropriate that the Company adopt property investment and development as one of its principal business activities. On 4 August 2017, the Group entered into an agreement to acquire LaiHua TaiSheng Limited ("LaiHua TaiSheng") at a consideration of RMB1,720,000,000. Laihua Taisheng is a company that is principally engaged in real estate property sale and development, and holds a property development project in the name of "世紀城" (Century Plaza*) (the "project"), which is located at Zhangjiang New District, Ganzhou City, Jiangxi Province, the PRC (江西省贛州市章江新區) with a total gross area of 128,461.20 sq.m. and saleable area of 635,071.78 sq.m. It is believed that the Group will benefit from the sale and leasing of the properties and the anticipated growth in the value of the project. The Group will continue to seek investment and development opportunities in the property markets in the PRC and Hong Kong.

Based on the macroeconomic figures of the first half of 2017, the economy of China and the world continued to grow, the Group is positive about the capital market in the rest of the year and will continue to look for investment opportunities in financial services, properties investment and development, the high-end manufacturing industry, as well as new energy and new technologies so as to generate optimum returns for shareholders.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2017 (2016 final dividend: HK$0.32 cents per share).

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

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2017.

UPDATE OF DIRECTORS' INFORMATION

The changes in directors of the Company subsequent to the six months ended 30 June 2017 are set out as below:

(1) Mr. Shao Zuosheng resigned as an executive Director, the senior vice president of the Company and a member of each of the strategy committee and investment committee of the Board with effect from 13 July 2017; and

(2) Mr. Zhang Chi was appointed as an executive Director and a member of each of the strategy committee and investment committee of the Board with effect from 13 July 2017.

The biographical details of the directors and senior management of the Company are set out in the Company's website.

CORPORATE GOVERNANCE

The Company is maintaining a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that there is no separation of the roles of chairman and Chief Executive Officer, as stipulated in the code provision A2.1 of the CG Code. Mr. Yao Jianhui ("Mr. Yao") currently assumes the roles of both the Chairman and the Chief Executive Officer of the Company. Mr. Yao has extensive experience in a wide range of industries, including food, construction materials, real estate, commerce, agricultural and foresty, logistics, technology and finance. The Board believes that by holding both roles, Mr. Yao will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Company's present management structure comprises sufficient number of independent non-executive directors, and thus the Board believes that a balance of power and authority have been and will continue to be maintained.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the directors of the Company. All directors of the Company have confirmed that throughout the six months ended 30 June 2017, they have complied with the provisions of the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference set out in the CG Code. The principal duties of the audit committee includes the review and supervision of the Group's financial reporting matters and internal control procedures. The audit committee comprises one non-executive director of the Company, namely Mr. Huang Wei and two independent non-executive directors of the Company, namely Mr. Wong Chun Bong and Professor Lee Kwok On, Matthew. The unaudited financial results for the six months ended 30 June 2017 have been reviewed by the audit committee and the external auditors of the Company.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

On 4 August 2017, the Group entered into a sale and purchase agreement with 萊華商置有限公司 (for identification only, Lai Hua Properties and Investment Limited), pursuant to which the Group conditionally agreed LaiHua TaiSheng to acquire and the Vendor conditionally agreed to sell all the equity interests of 萊華泰盛有限公司 (for identification only, LaiHua TaiSheng Limited) at a consideration of RMB1,720,000,000 (equivalent to approximately HK$1,997,659,600). The transaction constitutes a major transaction for the Company. A circular containing, among other things, further details about the transaction will be despatched to the Shareholders in due course.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hk1282.com). The 2017 Interim Report will be dispatched to the shareholders of the Company and available on the same websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to the management team and staff of the Group for their contribution during the period and also to give our sincere gratitude to all our shareholders and business partners for their continuous support.

By order of the Board
China Goldjoy Group Limited
Yao Jianhui
Chairman and Chief Executive Officer

Hong Kong, 25 August 2017

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Yao Jianhui, Mr. Li Minbin and Mr. Zhang Chi; one non-executive director, namely Mr. Huang Wei; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung.