HANBO ENTERPRISES HOLDINGS LIMITED
恒寶企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1367)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS

	For the six months ended		
	2017	2016	% Change
	HK$'000	*HK$'000*	
	(Unaudited)	(Unaudited)	
Revenue	**168,646**	207,605	(18.8)%
Gross profit	**31,110**	30,768	1.1%
Profit/(loss) for the period and attributable to owners of the Company	**(11,037)**	4,136	(366.9)%
Earnings/(loss) per share attributable to ordinary equity holders of the Company	**HK(2.30) cents**	HK0.86 cents	

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Hanbo Enterprises Holdings Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2017, together with the comparative figures for the corresponding period in 2016. The consolidated interim financial information of the Group for the six months ended 30 June 2017 has not been audited, but has been reviewed by audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3&4*	**168,646**	207,605
Cost of sales		**(137,536)**	(176,837)
Gross profit		**31,110**	30,768
Other income	*4*	**713**	537
Selling and distribution costs		**(1,881)**	(409)
Administrative expenses		**(38,798)**	(25,778)
Fair value gain on financial investments at fair value through profit or loss		**–**	91
Other expenses, net		**(771)**	(95)
Finance costs	*5*	**(438)**	(26)
Profit/(loss) before tax	*6*	**(10,065)**	5,088
Income tax expense	*7*	**(972)**	(952)
Profit/(loss) for the period and attributable to owners of the Company		**(11,037)**	4,136
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*9*	**HK(2.30) cents**	HK0.86 cents

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*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	**(11,037)**	4,136
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange fluctuation reserve:		
– Translation of foreign operations	**(22)**	(115)
Other comprehensive loss for the period	**(22)**	(115)
Total comprehensive income/(loss) for the period and attributable to owners of the Company	**(11,059)**	4,021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	**30 June 2017 *HK$'000* (Unaudited)**	31 December 2016 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**5,448**	4,421
Intangible asset	*11*	**900**	900
Right-of-use assets	*12*	**14,464**	–
Available-for-sale investment	*13*	**1,021**	926
Equity investment at fair value through profit or loss	*14*	**8,272**	10,528
Deposit and other receivables		**11,351**	7,136
Total non-current assets		**41,456**	23,911
CURRENT ASSETS			
Inventories		**–**	12
Trade and bills receivables	*15*	**49,236**	51,811
Loan receivable	*16*	**18,200**	20,000
Prepayments, deposits and other receivables		**11,384**	39,804
Cash and cash equivalents		**50,422**	49,286
Total current assets		**129,242**	160,913
CURRENT LIABILITIES			
Trade and bills payables	*17*	**13,132**	14,260
Other payables and accruals		**20,000**	18,458
Interest-bearing bank and other borrowings		**3,074**	12,160
Tax payable		**9,617**	8,659
Total current liabilities		**45,823**	53,537
NET CURRENT ASSETS		**83,419**	107,376
TOTAL ASSETS LESS CURRENT LIABILITIES		**124,875**	131,287

	Notes	**30 June 2017** **_HK$'000_** **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
NON-CURRENT LIABILITIES			
Other payables and accruals		**5,511**	387
Interest-bearing other borrowing		**118**	156
Deferred tax liabilities		**205**	205
Total non-current liabilities		**5,834**	748
Net assets		**119,041**	130,539
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*18*	**4,800**	4,800
Reserves		**114,241**	125,739
Total equity		**119,041**	130,539

NOTES

1. BASIC OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and are presented in Hong Kong dollars and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA for the first time for the current period's unaudited condensed consolidated interim financial statements of the Group.

Amendments to HKFRS 12 included in *Annual Improvements 2014-2016 Cycle*	*Clarification of the scope of the Standard*
Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of the above revised standards has had no significant financial effect on the unaudited condensed consolidated interim financial statements.

In addition, the Group has early adopted the following new HKFRSs in the current period and accordingly, certain additional accounting policies are adopted by the Group and are further described in the unaudited condensed consolidated interim financial statements of the Group for the six moths ended 30 June 2017.

HKFRS 15	*Revenue from Contracts with Customers*
HKFRS 16	*Leases*

3. OPERATING SEGMENT INFORMATION

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

(a) trading of apparel products and provision of the apparel supply chain management services;

(b) financial services;

(c) money lending; and

(d) securities investment.

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

For the six months ended 30 June 2017

	Apparel trading and related services *HK$'000* (Unaudited)	Financial services *HK$'000* (Unaudited)	Money lending *HK$'000* (Unaudited)	Securities investment *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue	**169,617**	**–**	**1,285**	**(2,256)**	**168,646**
Segment results	**6,929**	**(27)**	**(8,272)**	**(2,260)**	**(3,630)**
Reconciliation:					
Interest income					**6**
Corporate and other unallocated expenses					**(6,003)**
Finance costs					**(438)**
Loss before tax					**(10,065)**
As at 30 June 2017					
Segment assets	**74,425**	**4,632**	**19,492**	**8,272**	**106,821**
Reconciliation:					
Corporate and other unallocated assets					**63,877**
Total assets					**170,698**
Segment liabilities	**27,341**	**6,486**	**17,637**	**8,117**	**59,581**
Reconciliation:					
Elimination of intersegment payables					**(32,010)**
Corporate and other unallocated liabilities					**24,086**
Total liabilities					**51,657**
Other segment information:					
Reversal of provision for slow-moving inventories	**(12)**	**–**	**–**	**–**	**(12)**
Depreciation of property, plant and equipment	**645**	**–**	**–**	**–**	**645**
Depreciation of right-of-use assets	**951**	**–**	**117**	**–**	**1,068**

For the purposes of monitoring segment performance and allocating resources between segments:

(a) all assets are allocated to operating segments other than unallocated assets, cash and cash equivalents and other head office and corporate assets as these assets are managed on a group basis; and

(b) all liabilities are allocated to operating segments other than unallocated liabilities, tax payable, deferred tax liabilities and other head office and corporate liabilities as these liabilities are managed on a group basis.

For the six months ended 30 June 2016

The Group focused primarily on trading of apparel products and provision of the apparel supply chain management services. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information was available. Accordingly, no operating segment information was presented.

GEOGRAPHICAL INFORMATION

During the period, approximately 99.9% (six months ended 30 June 2016: 98.6%) of the Group's total revenue from external customers, based on the locations of the products shipped to, were attributed to the United States of America ("USA"). At the end of the reporting period, the non-current assets of the Group were located in:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**30,688**	16,436
Mainland China	**3,291**	598
Other countries	**7,477**	6,877
	41,456	23,911

INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the reporting period is set out below:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**78,854**	59,404
Customer B	**40,873**	52,947
Customer C	**26,172**	39,664

4. REVENUE AND OTHER INCOME

Revenue represents (i) the aggregate of the net invoiced value of apparel products sold, after allowances for returns and trade discounts; (ii) interest income from money lending business; and (iii) change in fair value of equity investment.

An analysis of the Group's revenue and other income is as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Sales of goods	**169,617**	207,605
Interest income from money lending business	**1,285**	–
Unrealised loss on equity investment at fair value through profit or loss	**(2,256)**	–
	168,646	207,605
Other income		
Bank interest income	**6**	53
Sale of scrap materials	**–**	91
Rework and compensation income	**523**	44
Sundry income	**184**	349
	713	537

5. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	**182**	19
Interest on a finance lease	**5**	7
Unwinding of finance costs on lease liabilities	**251**	–
	438	26

6. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**137,536**	176,837
Depreciation of property, plant and equipment	**717**	839
Depreciation of right-of-use assets	**2,942**	–
Minimum lease payments under operating leases	**704**	1,363
Reversal of impairment of trade receivables	**–**	(381)
Reversal of provision for slow-moving inventories	**(12)**	(136)
Foreign exchange differences, net	**142**	136

7. INCOME TAX

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current:		
– Hong Kong	**670**	641
– Elsewhere	**302**	311
Total tax charge for the period	**972**	952

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2017 and 2016. The subsidiary of the Company established in Mainland China is subject to corporate income tax at a standard rate of 25% for the six months ended 30 June 2017 and 2016. No provision for Macao complementary tax has been made as the Company's subsidiary established in Macao is exempted from complementary tax pursuant to Macao's relevant tax legislations. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

8. DIVIDENDS

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

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share for the six months ended 30 June 2017 is based on the loss attributable to owners of the Company of HK$11,037,000 (six months ended 30 June 2016: profit of HK$4,136,000), and the weighted average number of ordinary shares of 480,000,000 (six months ended 30 June 2016: 480,000,000) in issue during the period.

Diluted earnings per share equals to basic earnings per share as there was no dilutive potential share outstanding for the six months ended 30 June 2017 and 2016.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment at costs of HK$1,747,000 (six months ended 30 June 2016: HK$65,000).

11. INTANGIBLE ASSET

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Cost at 1 January	**900**	–
Addition – separately acquired	**–**	900
	900	900

The intangible asset represents direct costs incurred for the acquisition of a money lenders licence with indefinite useful life and is stated at cost less any impairment losses.

The money lenders licence is considered by the directors of the Company as having indefinite useful lives because it is expected that the money lenders licence can be renewed continuously at minimal cost and it will contribute net cash inflows for the Group in the foreseeable future. The money lenders licence will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

For the purpose of impairment testing, the money lenders licence with indefinite useful life is allocated to a cash-generating unit ("CGU") operating as a subsidiary of the Company which is engaged in money lending business.

The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projection based on financial budget approved by management covering a one-year period. The discount rate applied to the cash flow projection is 13%.

12. RIGHT-OF-USE ASSETS

	HK$'000
	(Unaudited)
Cost at 1 January 2017	–
Recognition upon initial application of HKFRS 16	16,555
Additions	851
Depreciation provided during the period (note 6)	(2,942)
At 30 June 2017	14,464
At 30 June 2017:	
Cost	17,406
Accumulated depreciation	(2,942)
Net carrying amount	14,464

The right-of-use assets represent the Group's rights to use underlying leased premises under operating lease arrangements over the lease terms, which are stated at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

13. AVAILABLE-FOR-SALE INVESTMENT

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unlisted equity investment, at cost	**1,021**	926

As at 30 June 2017, the above unlisted equity investment with a carrying amount of HK$1,021,000 (31 December 2016: HK$926,000) was stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably. Management has no intention to dispose the investment in the foreseeable future.

14. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed equity investment, at market value	**8,272**	10,528

The above equity investment at 30 June 2017 and 31 December 2016 was, upon initial recognition, designated by the Group as financial asset at fair value through profit or loss.

15. TRADE AND BILLS RECEIVABLES

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**40,400**	51,408
Bills receivables	**9,141**	708
	49,541	52,116
Impairment	**(305)**	(305)
	49,236	51,811

The Group's trading terms with its customers are mainly on credit. The credit period generally ranges from 30 to 60 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over these balances. Trade and bills receivables are non-interest-bearing.

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

	30 June 2017	31 December 2016
	HK$'000	HK$'000
	(Unaudited)	(Audited)
Within 1 month	**28,169**	29,340
1 to 2 months	**15,609**	11,946
2 to 3 months	**5,458**	10,525
	49,236	51,811

An aged analysis of the trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	30 June 2017	31 December 2016
	HK$'000	HK$'000
	(Unaudited)	(Audited)
Neither past due nor impaired	**43,420**	41,169
Less than 1 month past due	**5,816**	10,642
	49,236	51,811

Receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

16. LOAN RECEIVABLE

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loan receivable – unsecured	**18,200**	20,000

Loan receivable arising from the money lending business of the Group bears interest at a rate of 13% (31 December 2016: 13%) per annum. The Group did not hold any collateral or other credit enhancements over this balance.

The loan receivable as at 30 June 2017 and 31 December 2016, based on the payment due date, were neither past due nor impaired and relates to an independent borrower for whom there was no recent history of default.

17. TRADE AND BILLS PAYABLES

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

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 1 month	**11,963**	14,260
1 to 2 months	**689**	–
2 to 3 months	**214**	–
Over 3 months	**266**	–
	13,132	14,260

The trade and bills payables are non-interest-bearing and are normally settled on an average term of 30 days.

18. SHARE CAPITAL

	30 June 2017 *HK$'000* **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
Authorised:		
1,000,000,000 ordinary shares of HK$0.01 each	**10,000**	10,000
Issued and fully paid:		
480,000,000 ordinary shares of HK$0.01 each	**4,800**	4,800

19. COMMITMENTS

At 30 June 2017, the Group had commitments of HK$38,239,000 relating to the acquisition of subsidiaries (31 December 2016: HK$790,000 relating to purchase of motor vehicle).

20. CONTINGENT LIABILITIES

There was no contingent liabilities as at 30 June 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Hanbo Enterprises Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") was principally engaged in (i) apparel trading and supply chain management services business; (ii) financial services business; (iii) money lending business; and (iv) securities investment during the period.

Apparel Trading and Supply Chain Management Services Business

For the six months ended 30 June 2017, the Group's revenue derived from supply chain management services business was HK$169,617,000, representing a decrease of approximately 18.3% when compared to the corresponding period last year of HK$207,605,000. The decrease was mainly attributable to the significant decrease in Group's sales in June 2017 to department and specialty stores in the United States of America ("USA") because of the stagnant apparel retail market. Nevertheless, gross margin for the supply chain management services business increased from approximately 14.8% for the corresponding period last year to approximately 18.9% for the period due to relatively higher proportion of sales to high gross margin customers. Hence, gross profit for the segment increased slightly from HK$30,768,000 for the corresponding period last year to HK$32,081,000 for the period. Segment profit from the respective segment was HK$6,929,000 as compared to HK$5,088,000 segment profit for the corresponding period last year. The increase was mainly because of the increase in gross profit for this segment.

Financial Services Business

On 16 December 2016, the Group had acquired 665,000 ordinary shares, representing 9.5% of the issued share capital of Tak Yun Wealth Management Company Limited ("Tak Yun") at a total consideration of approximately HK$926,000 from a third party independent of the Company and its connected persons (as defined under the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Tak Yun is a corporation licensed for Type 1 (Dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). In January 2017, the Group entered into a conditional sale and purchase agreement for the acquisition of the remaining 90.5% of the issued share capital of Tak Yun at a total cash consideration of approximately HK$14,622,000 (subject to adjustment with reference to the net asset value of Tak Yun as at the date of completion of the acquisition). In June 2017, Tak Yun issued and allotted 1,000,000 ordinary shares at HK$1 each. The Group subscribed 95,000 ordinary shares, which is in proportion to the percentage of shareholding of the Group as at the date of share issue, at a total cash consideration of HK$95,000. As at 30 June 2017, the Group holds 760,000 ordinary shares, representing 9.5% of the issued share capital of Tak Yun.

In February 2017, the Group entered into a conditional sale and purchase agreement with a third party independent of the Company and its connected persons (as defined under the Listing Rules) for the acquisition of a company which is licensed to carry out Type 4 (Advising on securities) and Type 9 (Asset management) regulated activity under the SFO (the "Target Company") at a total consideration of approximately HK$6,600,000 (subject to adjustment with reference to the net asset value of the Target Company as at the date of completion).

In April 2017, Silver Year Limited ("Silver Year"), an indirect wholly-owned subsidiary of the Company, entered into a capital contribution agreement with 湖南匯垠天星股權投資私募基金管理有限公司 (Hunan Huiyin Tianxing Private Equity Investment Fund Management Co., Ltd#) ("Hunan Huiyin Tianxing") and its shareholders, pursuant to which Silver Year agreed to make capital contribution in the amount of Renminbi ("RMB") 25,000,000 by way of cash to Hunan Huiyin Tianxing and become a shareholder of the Hunan Huiyin Tianxing holding 51% of its equity interests upon completion of the transaction. Hunan Huiyin Tianxing is engaged in equity interests investment management, investment consultancy services, investment management services, entrusted management of equity interests investment fund, corporate management consultancy services. Details of the capital contribution is set out in the announcement and the circular of the Company dated 27 April 2017 and 8 June 2017, respectively.

The above transactions are not yet completed as at 30 June 2017. Upon completion of the above transactions, the Group would further expand and diversify its financial services business and achieve synergy effect.

Money Lending Business

The Group engaged in the money lending business through Capital Strategic Partners Limited, an indirect wholly-owned subsidiary of the Company, which holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) to carry out money lending business in Hong Kong. During the period, the interest income and operating loss generated in this segment during the six months ended 30 June 2017 were HK$1,285,000 (2016: nil) and HK$8,272,000 (2016: nil), respectively. Operating loss increased in this segment during the six months ended 30 June 2017 was mainly resulted from the allocation of centralised administrative expenses. During the year ended 31 December 2016, one transaction of loan advanced to a customer occurred, which was disclosed in the announcements issued by the Company on 19 December 2016 and 19 June 2017, respectively. The loan is still outstanding as at 30 June 2017. The management had formulated a fundamental policy to establish its internal control systems. The Group would adopt a prudent approach and conduct regular reviews of the composition of the loans portfolio and lending rates charged to each customer in order to maximise the return of the money lending business as well as diversify the credit risk.

Securities Investment

During the period, the Group carried out the Group's investment business in securities investment.

As investment in securities is one of the operating businesses of the Group, the net realised and unrealised gain or loss on financial assets at fair value through profit or loss is recognised as a component of the revenue of the Group.

During the period, the revenue arising from this segment was negative revenue of HK$2,256,000 (2016: nil). Revenue was attributable to the net unrealised loss on securities investment of HK$2,256,000 (2016: nil). No realised gain or loss on securities investment was noted during the period.

The overall performance of the securities investment business recorded a loss of HK$2,260,000 for the six months ended 30 June 2017 (2016: nil), which was primarily attributable to the unrealised loss on securities investment stated above, net of administrative expenses of HK$4,000

(2016: nil) incurred during the period as a result of business operation. As at 30 June 2017, the market value of the Group's listed securities portfolio was HK$8,272,000 (31 December 2016: HK$10,528,000).

FINANCIAL REVIEW

During the period under review, the Group has diversified its operations into four segments, being

(a) trading of apparel products and provision of the apparel supply chain management services;

(b) financial services;

(c) money lending; and

(d) securities investment.

Financial results from the Group's operations are summarised as follows:

Revenue

Revenue by Business Segments

Ratio analysis by business segments for the Group's revenue for the six months ended 30 June 2017 is as follows:

Supply chain management services business: HK$169,617,000, 100.6% of revenue (2016: HK$207,605,000, 100.00%)

Money lending business: HK$1,285,000, 0.8% of revenue (2016: nil)

Securities investment: negative revenue of HK$2,256,000, -1.4% of revenue (2016: nil)

Revenue by Geographical Region

During the period, approximately 99.9% (2016: 98.6%) of the Group's total revenue from external customers, based on the locations of the products shipped to, were attributed to the USA.

The Group's revenue for the period was HK$168,646,000, being a decrease of HK$38,959,000 when compared to the corresponding period last year of HK$207,605,000. The decrease was mainly due to the net effect of (i) a decrease in revenue derived from supply chain management services business to HK$169,617,000 (2016: HK$207,605,000) due to the significant decrease in Group's sales in June 2017 to department and specialty stores in the USA because of the stagnant apparel retail market; (ii) an unrealised loss on an investment in listed equity investment at fair value through profit and loss of HK$2,256,000 (2016: nil), which was arising from the Group's business segment on securities investment; and (iii) an interest income from a loan advanced to an independent third party of HK$1,285,000 (2016: nil).

Cost of Sales

Cost of sales of the Group relates to its supply chain management services business and includes raw materials, subcontracting fees, and other costs. Raw materials were fabrics and ancillary raw materials, including buttons, zippers and threads that the Group purchased and supplied to the third-party manufacturers for their production. Subcontracting fees represented fees paid to the third-party manufacturers for production of apparel products. Other costs include miscellaneous costs such as freight charges, inspection charges, declaration fees, depreciation and insurance.

Subcontracting fees continues to be the major component of the Group's total cost of sales.

Gross Profit and Margin

The Group's gross profit for the period was HK$31,110,000, representing an increase of approximately 1.1% from HK$30,768,000 in the corresponding period last year.

The Group's gross profit margin for its supply chain management services business increased from approximately 14.8% for the corresponding period last year to approximately 18.9% for the period, which was mainly attributable to relatively higher proportion of sales to high gross margin customers during the period.

Other Income

Other income for the period was HK$713,000, representing an increase of approximately 32.8% from the corresponding period last year of HK$537,000. The increase was mainly due to the effect of increase in rework and compensation income of HK$479,000.

Selling and Distribution Costs

Selling and distribution costs primarily consist of (i) sample cost; (ii) travelling expenses; (iii) electronic data interchange charges; (iv) entertainment expenses; (v) air freight charges; and (vi) other selling and distribution expenses. Selling and distribution costs increased by approximately 359.9% from HK$409,000 to HK$1,881,000, which was mainly due to increase in air freight charges.

Administrative Expenses

Administrative expenses mainly represented employee benefit expenses for the Group's management, finance and administrative personnel, entertainment expenses, rental expenses for the Group's office premises and travelling expenses. Administrative expenses increased by approximately 50.5% from HK$25,778,000 to HK$38,798,000, which was mainly due to the increase in salaries and other office and travelling expenses derived from the Group's new administrative office in Hong Kong and depreciation of right-of-use assets.

Other Expenses, Net

Other expenses, net mainly represented the claims paid to customers. Other expenses, net for the period was HK$771,000, representing an increase of approximately 711.6% from HK$95,000 in the corresponding period last year. The increase was mainly due to increase in claims paid to customers.

Finance Costs

Finance costs increased by approximately 1,584.6% from HK$26,000 to HK$438,000. The increase was mainly due to increase in average utilisation of trust receipt loans and interest on leased liabilities during the period upon early adoption of new Hong Kong Financial Reporting Standard 16 Leases.

Loss for the Period

The net loss attributed to shareholders of the Company (the "Shareholders") for the period amounted to HK$11,037,000 (2016: net profit of HK$4,136,000), resulted in a basic loss per share for the period of HK2.30 cents (2016: a basic earnings per share of HK0.86 cents), representing an increase in loss by 366.9%. The increase in loss was resulted from the effects of (i) an unrealised fair value loss on a financial investment at fair value through profit and loss of HK$2,256,000 for the six months ended 30 June 2017 (2016: nil); and (ii) administrative expenses of HK$38,798,000 (30 June 2016: HK$25,778,000), mainly includes staff costs, depreciation of right-of-use assets and travelling expenses.

PROSPECTS

Apparel Trading and Supply Chain Management Services Business

The management of the Group expects the business environment for the apparel supply chain management services business in the second half of the year 2017 to remain challenging. Major existing customers have been experiencing stagnant or declining sales and hence reassessing their sourcing strategies. Hence, the management responds by exploring aggressively for new customers through competitive prices and shorter delivery time of the sales orders. Besides, diversification of customer base to other countries such as Canada and the People's Republic of China ("PRC") are being sought. The management also keeps on enhancing the ERP system through internal development and outsourcing to further strengthen our relationship with supply chain partners to improve efficiency.

Money Lending and Financial Services Businesses

The management expects that the money lending business segment will become one of the Group's stable income sources. In the near future, the management is going to put more effort to develop the money lending operation and aims to gain a higher level of loan advance balance with significant returns. It is believed that expansion of money lending operation will help the Group to lay a solid capital foundation for the development of financial services sector and maintain a healthy cash flow.

As disclosed in the Company's announcement dated 6 December 2016, the board (the "Board") of directors (the "Directors") intended to explore diversification of its operations into the financial services sector which includes but not limited to the provision of financing, brokerage, asset management and investment management services, and securities investments. Apart from the transactions in progress mentioned above, the management continues looking into possible acquisitions of relevant licensed corporations, asset management companies and other financial service platforms located in both Hong Kong and the PRC, in order to build a strong, growing and diversified financial services sector.

In addition, the Group is currently looking into other financial service platforms such as fund management companies and plans to further expand this segment via business combination.

Securities Investment

During the period, the Hong Kong stock market was highly volatile due to both domestic and worldwide social and economic issues. To cope with such situations, the Group will continue to closely monitor the market conditions and may consider to change its investment portfolio from time to time. We will also explore other investment opportunities including but not limited to investment in private equities, debt securities, derivatives and funds. With the introduction of the new management to the Group, the management plans to revise its investment strategies and formulate new investment policies in the near future.

CAPITAL STRUCTURE

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, including interest-bearing bank and other borrowings, and equity attributable to owners of the Company, comprising issued capital and reserves. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the repayment of existing debt. The Group's overall strategy remains unchanged throughout the period.

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group's working capital was financed by both internal resources and bank and other borrowings.

As at 30 June 2017, cash and cash equivalents amounted to HK$50,422,000, which increased by approximately 2.3% as compared to HK$49,286,000 as at 31 December 2016.

As at 30 June 2017, the Group's total borrowings amounted to HK$3,192,000 (31 December 2016: HK$12,316,000), mainly consist of finance lease liabilities amounting to HK$192,000 (31 December 2016: HK$228,000) and bank and other borrowings amounting to HK$3,000,000 (31 December 2016: HK$12,088,000). The bank and other borrowings of the Group as at 30 June 2017 were incurred for trading finance and investment purpose. The bank borrowings of the Group as at 31 December 2016 were incurred for trade finance purposes.

The current ratio of the Group as at 30 June 2017 was 2.8 (31 December 2016: 3.0). The gearing ratio (being sum of other borrowings and the finance leases liabilities divided by the equity attributable to the owners of the Company) of the Group as at 30 June 2017 was approximately 2.7% (31 December 2016: 0.2%).

The Group's net current assets and net assets of HK$83,419,000 (31 December 2016: HK$107,376,000) and HK$119,041,000 (31 December 2016: HK$130,539,000), respectively.

TREASURY POLICIES

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the period. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

FOREIGN EXCHANGE EXPOSURE

The Group's foreign currency transactions are mainly denominated in RMB and United States dollars ("US$"). The Group has currency exposure as certain subcontracting fees incurred in the PRC were denominated in RMB. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in RMB. During the period, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL EXPENDITURES

During the period, the Group's capital expenditures consisted of additions to property, plant and equipment amounting to HK$1,747,000 (2016: HK$65,000).

CAPITAL COMMITMENT

As at 30 June 2017, the Group had a capital commitment of HK$38,239,000 (31 December 2016: HK$790,000) in relation to acquisition of subsidiaries.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2017, the Group had a total of 155 employees, including the Directors. Total staff costs (including Directors' remuneration) was HK$22,116,000 for the period, as compared to HK$16,294,000 for the corresponding period last year.

Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of the basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other major staff benefits include contributions to Mandatory Provident Fund retirement benefits scheme in Hong Kong and the provision of social insurances for employees who are employed by the Group pursuant to the applicable PRC rules and regulations.

The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme adopted by the Company on 20 June 2014 where options to subscribe for shares of the Company may be granted to the Directors and employees of the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS

Save as disclosed in the section headed "Material Acquisitions and Disposals of Subsidiaries" below, the Group did not have any plans for material investments during the period. The Group will finance the future acquisitions through internally generated funds and other fund raising activities, including but not limited to issue of new debts or equity instruments.

SIGNIFICANT INVESTMENT

The Board would like to inform the Shareholders that all equity investments at fair value through profit or loss held as at 30 June 2017 represented shares listed in Hong Kong and the relevant information of the Group's significant investment held at 30 June 2017 is summarised below:

Equity investment at fair value through profit or loss

Stock Code	Name of Security	% of shareholding in the listed securities held by the Group at 30 June 2017	Unrealised loss for the six months ended 30 June 2017 *HK$'000*	Fair value of the investment in listed securities at 30 June 2017 *HK$'000*
767	Pacific Plywood Holdings Limited ("PPHL")	0.49	(2,256)	8,272

Information published by PPHL regarding its performance and prospects can be found at the HKEXnews website. According to PPHL's announcement of interim results for the six months ended 30 June 2017, the PPHL group was principally engaged in the business of operation of peer-to-peer ("P2P") financing platform and other loan facilitation services, money lending and provision of credit and securities investments.

The Company expects that the future performance of the Group's investment portfolio (including the significant investment described above) will be affected by the following external factors:

1) Market risk arising from fluctuations in Hong Kong stock market and changes in the domestic and global economy.

2) Policy risks in the PRC that may materially and adversely affect the outlook for companies in its portfolio.

3) The market price of each stock will be affected by the financial performance and development plans of the relevant company, as well as the outlook of the industry in which such company operates.

In order to mitigate possible financial risks related to the equities, the management will further review the Group's investment portfolio and closely monitor the performance of the listed securities from time to time.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

As disclosed in the announcement of the Company dated 16 December 2016, the Group acquired 665,000 ordinary shares, representing 9.5% of the issued share capital of Tak Yun at a total consideration of approximately HK$926,000 from a third party independent of the Company and its connected persons (as defined under the Listing Rules). Tak Yun is a corporation licensed for Type 1 (Dealing in securities) regulated activity under the SFO. In January 2017, a wholly-owned subsidiary of the Group entered into a conditional sale and purchase agreement for the acquisition of the remaining 90.5% of the issued share capital of Tak Yun (the "Acquisition") at a total cash consideration of approximately HK$14,622,000 (subject to adjustment with reference to the net asset value of Tak Yun as at the date of completion of the Acquisition). In June 2017, Tak Yun issued and allotted 1,000,000 ordinary shares at HK$1 each. The Group subscribed 95,000 ordinary shares, which is in proportion to the percentage of shareholding of the Group as at the date of share issue, at a total cash consideration of HK$95,000. As at 30 June 2017, the Group holds 760,000 ordinary shares, representing 9.5% of the issued share capital of Tak Yun. Completion of the Acquisition is conditional upon the necessary approval(s) from the Securities and Futures Commission (the "SFC") being obtained. Upon completion of the Acquisition, Tak Yun will become a wholly-owned subsidiary of the Company and the financial information of Tak Yun will be consolidated into the financial information of the Group.

In February 2017, the Group entered into a conditional sale and purchase agreement for the acquisition of the Target Company at a total consideration of approximately HK$6,600,000 (subject to adjustment with reference to the net asset value of the Target Company as at the date of completion). Completion of this acquisition is conditional upon (i) completion of legal, business and financial due diligence to the satisfaction of the Group; (ii) approval being obtained from the SFC for change of substantial shareholder of the Target Company under section 132 of the SFO (the "Approval for Change of Substantial Shareholder"); (iii) the active status with the SFC being maintained; and (iv) the Target Company having obtained the licence for carry out Type 4 (Advising on securities) regulated activity under the SFO. Completion of this acquisition is to take place within 15 days upon the Approval for Change of Substantial Shareholder being obtained from the SFC. Upon completion of this acquisition, the Target Company will become a wholly-owned subsidiary of the Company and the financial information of the Target Company will be consolidated into the financial information of the Group.

In April 2017, Silver Year entered into a capital contribution agreement with Hunan Huiyin Tianxing and its shareholders, pursuant to which Silver Year agreed to make capital contribution in the amount of RMB25,000,000 by way of cash to Hunan Huiyin Tianxing and become a shareholder of the Target Company holding 51% of its equity interests upon completion of the transaction. Hunan Huiyin Tianxing is engaged in equity interests investment management, investment consultancy services, investment management services, entrusted management of equity interests investment fund, corporate management consultancy services. Completion of this acquisition is to take place upon fulfilment of conditions precedent as set out in the capital contribution agreement and completion of registration of change in shareholding with the relevant Administration for Industry & Commerce of the PRC and the obtaining of a new business licence for Hunan Huiyin Tianxing. Upon completion of this transaction, Hunan Huiyin Tianxing will become a subsidiary of the Company and the financial information of Hunan Huiyin Tianxing will be consolidated into the financial information of the Group. Details of the capital contribution is set out in the announcement and the circular of the Company dated 27 April 2017 and 8 June 2017, respectively.

The Group has not disposed of any of its subsidiaries during the period.

RISK MANAGEMENT

The Group adopts the following risk management policies and monitoring system to mitigate the risks associated with interest rate, foreign currency, credit, liquidity and equity price in its major operation.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates incurred for trade finance. The Group reviews interest rate risk regularly and monitors closely the fluctuation of interest rates and will make proper adjustment if necessary.

Foreign Currency Risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group has currency exposure as certain subcontracting fees incurred in Mainland China were denominated in RMB.

The RMB is not a freely convertible currency. Future exchange rates of the RMB could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and the demand and supply of the RMB. The appreciation or devaluation of RMB against US$ may have impact on the operating results of the Group.

The Group has not entered into any hedging arrangement as the foreign currency risk is considered not material. The management has monitored the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Credit Risk

The trade and bills receivable balances included in the condensed consolidated statement of financial position of the Group represent the Group's maximum exposure to credit risk in relation to the Group's trade and bills receivables. Concentrations of credit risk are managed by customer.

The Group performs ongoing credit evaluations of its debtors' financial conditions and requires no collateral from its customers. The allowance for doubtful debts is based on a review of the expected collectability of all trade and bills receivables.

The Group seeks to maintain strict control over its outstanding receivables and has its credit control policy to minimise the credit risks. In addition, all receivable balances are monitored on an ongoing basis and overdue balances are followed up by management.

Liquidity Risk

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due. The Group's objectives are to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirements.

Equity Price Risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investment. The Group's listed investment is listed on the Stock Exchange and is valued at quoted market prices at the end of the reporting period. Management manages this exposure by assessing the risk associated with each individual investment and maintaining a portfolio of investments with different risks in the future if necessary.

CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2017.

CHARGE ON THE GROUP'S ASSETS

No charges on the Group's assets was noted as at 30 June 2017.

USE OF PROCEEDS

The highlights of the use of proceeds during the period is as follows:

(i) Approximately HK$3,700,000 was used for enhancement of our IT system.

(ii) Approximately HK$6,100,000 was used for development of the financial services business of the Group, including the investments in licensed corporations to carry out financial service activities under SFO and investment management company in the PRC.

The proceeds from initial public offering of Company's shares had been fully utilised as at 30 June 2017 and in accordance with the proposed applications set out in the Company's announcement dated 19 December 2016.

DIVIDEND

The Board does not recommend the distribution of any dividends for the six months ended 30 June 2017 (2016: nil).

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

There had not been any equity fund raising activity conducted by the Group in the past twelve months.

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

On 19 December 2016, Capital Strategic (the "Lender"), an indirect wholly-owned subsidiary of the Company, entered into a loan agreement (the "Loan Agreement") with a third party independent of the Company and its connected person (as defined under the Listing Rules) (the "Borrower"), pursuant to which the Lender agreed to provide a loan to the Borrower in the principal amount of HK$20,000,000 (the "Loan") for a period of 6 months following the date of the first drawdown at an interest rate of 13% per annum payable on the date falling 6 months from the first drawing of the Loan.

As the term of the Loan Agreement had expired on 18 June 2017, the Lender and the Borrower had on 19 June 2017 entered into a supplemental deed (the "Supplemental Deed") to, among other matters, (i) extend the maturity date from 19 June 2017 to 18 December 2017; and (ii) revise the loan granted under the Loan Agreement down to HK$18,200,000 (the "Revised Loan"). Other than the maturity date which has been extended to 18 December 2017 and the amount of the loan has been revised down to HK$18,200,000 pursuant to the Supplemental Deed, the principal terms of the Loan Agreement remains applicable to the Lender and the Borrower in connection with the Loan.

The grant of the Loan and the Revised Loan under the Loan Agreement and the Supplemental Deed, respectively, are financial assistances provided by the Group within the meaning of the Listing Rules and constituted discloseable transactions for the Group under Chapter 14 of the Listing Rules. Details of the grant of the Loan and the Revised Loan is set out in the announcement of the Company dated 19 December 2016 and 19 June 2017, respectively.

TERMINATION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 22 December 2016 (after trading hours), the Company and Win Wind Securities Limited (the "Placing Agent") entered into a placing agreement (the "Placing Agreement"), pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, the placees to subscribe for a maximum number of 96,000,000 placing shares, representing 20% of the then issued share capital of the Company, at the placing price of HK$2.05 per placing share during the placing period (the "Placing"). As disclosed in the announcement of the Company dated 10 January 2017, the Company and the Placing Agent agreed to terminate the Placing Agreement on 10 January 2017 as the conditions precedent stipulated in the Placing Agreement cannot be fulfilled on or prior to the 21st day after the date of the Placing Agreement. All obligations of the Company and the Placing Agent to effect and complete the Placing under the Placing Agreement have ceased and determined. The Directors expected that the termination of the Placing Agreement would have no material adverse effect on the business operation and the financial position of the Group. Details of the Placing and the termination of the Placing are disclosed in the announcements of the Company dated 22 December 2016 and 10 January 2017, respectively.

SUBSEQUENT EVENTS

On 4 August 2017, the Board was informed by Plus Value International Limited, the controlling shareholder of the Company (as defined under the Listing Rules) that it disposed of 49,200,000 shares of the Company (the "Shares"), representing 10.25% of the issued share capital of the Company at HK$2.373 per Shares. As a result of such disposal, the shareholding of Plus Value International Limited in the Company reduced from 56.25% to 46%. Details of the disposal are disclosed in the announcement of the Company dated 7 August 2017.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintain high standard of corporate governance consistent with the needs and requirements of its business and the Shareholders. The Company has adopted the code provisions (the "Code Provisions") as set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules. The corporate governance principles of the Company emphasise a quality board, sound internal controls, and transparency and accountability to all the Shareholders.

Save as disclosed above, the Company has complied with the Code Provisions during the six months ended 30 June 2017.

CHANGE IN INFORMATION OF DIRECTORS

During the period and up to the date of this announcement, the updated information on Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rule are set out below:

(1) Ms. Yi Sha
an Executive Director

– Appointed as an Executive Director of the Company with effect from 25 May 2017.

– The terms of her letter of appointment as Executive Director as follow:

Director's remuneration	:	HK$10,000 per month
Term	:	3 years commencing on 25 May 2017 which term will be continued. She will hold office until the next following annual general meeting of the Company after her appointment and will be subject to the re-election and retirement by rotation requirements under the Articles of Association of the Company (the "Articles").

(2) Mr. Liu Zhijun
an Executive Director

– Appointed as an Executive Director of the Company with effect from 7 July 2017.

– The terms of his letter of appointment as Executive Director as follow:

Director's remuneration	:	HK$10,000 per month
Term	:	3 years commencing on 7 July 2017 which term will be continued. He will hold office until the next following annual general meeting of the Company after his appointment and will be subject to the re-election and retirement by rotation requirements under the Articles.

(3)	Mr. Hon Ming Sang an Executive Director	–	Appointed as the Company Secretary, the Authorised Representative and the Process Agent of the Company with effect from 7 July 2017.
(4)	Mr. Lam Kwan Sing an Executive Director	–	The remuneration has been changed to HK$240,000 per month with effect from 16 August 2017. Reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market condition and the Company's remuneration policy. The terms of his letter of appointment as Executive Director remain unchanged and effective in all respect.
(5)	Mr. Chan Wai Cheung, Admiral an Independent Non-executive Director	–	Appointed as independent non-executive director of Zhong Ao Home Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1538) with effect from 31 May 2017.

Save as disclosed above, there is no other information in respect of Directors required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rule.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as it is the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors has complied with the required standard set out in the Model Code during the six months ended 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company established the Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, risk management and internal controls systems of the Group. The Audit Committee comprises three independent non-executive Directors, namely Mr. Fok Ho Yin, Thomas, Mr. Chan Wai Cheung, Admiral and Mr. Lam Ho Pong. The chairman of the Audit Committee is Mr. Fok Ho Yin, Thomas.

The Audit Committee has reviewed with the accounting principles and practices adopted by the Group and discussed the auditing, internal control and risk management and financial reporting matters including the review of the unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2017 with the management and the Company's external auditor, Ernst & Young.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.hanbo.com. The printed copy of the interim report will be sent to the Shareholders and the soft copy of the same will be published on the websites of the Stock Exchange and the Company in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of the Company comprises six executive Directors, namely Mr. Jia Bowei, Mr. Lam Kwan Sing, Mr. Liu Zhijun, Ms. Yi Sha, Mr. Wong Nga Leung and Mr. Hon Ming Sang; and three independent non-executive Directors, namely, Mr. Fok Ho Yin, Thomas, Mr. Chan Wai Cheung, Admiral and Mr. Lam Ho Pong.

By order of the Board
Hanbo Enterprises Holdings Limited
Mr. Jia Bowei
Chairman & Executive Director

Hong Kong, 31 August 2017

The English translation of Chinese names or words in this announcement, where indicated by "#", are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.