



Cloud Investment Holdings Limited
雲信投資控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 8129)



INTERIM 2018
REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

FINANCIAL HIGHLIGHTS

The Group recorded turnover of approximately HK\$11,616,000 for the six months ended 30 June 2018, representing a dramatic increase of 318.7% from the corresponding period of previous year.

The Group recorded loan interest income of approximately HK\$6,180,000 from provision of financing services for the six months ended 30 June 2018, representing a considerable increase of 473.3% from the corresponding period of previous year (six months ended 30 June 2017: HK\$1,078,000).

The Group recorded revenue of approximately HK\$736,000 from sales and licensing of software and embedded systems through online platform for the six months ended 30 June 2018, representing a slight increase of 5.4% from the corresponding period of previous year (six months ended 30 June 2017: HK\$698,000).

Packaged software sales for the six months ended 30 June 2018 was approximately HK\$888,000, representing a decrease of 11.0% from the corresponding period of previous year (six months ended 30 June 2017: HK\$998,000). The Group generated revenue of approximately HK\$579,000 from the provision of IT services for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

The Group recorded revenue of approximately HK\$3,233,000 from the provision of financial public relations services for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

The Group's total operating expenses for the six months ended 30 June 2018 were approximately HK\$7,712,000 representing an increase of 37.4% as compared to the six months ended 30 June 2017 (six months ended 30 June 2017: HK\$5,613,000).

The Group recorded a net gain attributable to owners of the Company for the six months ended 30 June 2018 of HK\$1,106,000 (six months ended 30 June 2017: loss of HK\$1,948,000). Earnings per share attributable to the owners of the Company for the six months ended 30 June 2018 is HK0.04 cent (loss per share for the six months ended 30 June 2017: HK0.08 cent).

The unaudited condensed consolidated results for the six months ended 30 June 2018 and the comparison with last year are set out in the accompanying table.

INTERIM RESULTS (UNAUDITED)

The board (the "Board") of directors (the "Directors") of Cloud Investment Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and six months ended 30 June 2018, together with the unaudited comparative figures for the corresponding periods in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 30 June 2018

	Notes	Three months ended 30 June		Six months ended 30 June	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Revenue	4	4,917	1,445	11,616	2,774
Cost of revenue		<u>(1,041)</u>	<u>(20)</u>	<u>(2,245)</u>	<u>(35)</u>
Gross profit		3,876	1,425	9,371	2,739
Other income	5	13	850	23	855
Share of profit of associates		–	71	–	71
Selling and distribution expenses		(305)	(93)	(625)	(188)
Research and development expenses		(386)	(371)	(782)	(739)
General and administrative expenses		<u>(3,781)</u>	<u>(2,488)</u>	<u>(6,305)</u>	<u>(4,686)</u>
(Loss) profit before tax	6	(583)	(606)	1,682	(1,948)
Income tax expense	7	<u>(202)</u>	<u>–</u>	<u>(576)</u>	<u>–</u>
(Loss) profit for the period		<u><u>(785)</u></u>	<u><u>(606)</u></u>	<u><u>1,106</u></u>	<u><u>(1,948)</u></u>
(Loss) earnings per share for the period	8				
– Basic (HK cent)		<u>(0.02)</u>	<u>(0.03)</u>	<u>0.04</u>	<u>(0.08)</u>
– Diluted (HK cent)		<u>N/A</u>	<u>N/A</u>	<u>0.04</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2018

	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) profit for the period	(785)	(606)	1,106	(1,948)
Other comprehensive (expense) income, net of income tax				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	(52)	50	(4)	50
Decrease in fair value of available-for-sale investments	—	(312)	—	(312)
Other comprehensive expense for the period	(52)	(262)	(4)	(262)
Total comprehensive (expense) income for the period	(837)	(868)	1,102	(2,210)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	At 30 June 2018 HK\$'000 (Unaudited)	At 31 December 2017 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,012	514
Loan and interest receivables – non-current portion	13	20,500	20,500
Goodwill		609	609
		<u>22,121</u>	<u>21,623</u>
CURRENT ASSETS			
Inventories	11	45	38
Financial assets at fair value through profit or loss		102	102
Trade and other receivables	12	5,841	3,091
Loan and interest receivables – current portion	13	37,754	70,630
Held-to-maturity investments		1,040	–
Bank balances and cash		11,500	4,718
		<u>56,282</u>	<u>78,579</u>
CURRENT LIABILITIES			
Other payables and accrued expenses		1,545	2,646
Contract liabilities – current portion	2	570	–
Tax payable		884	308
		<u>2,999</u>	<u>2,954</u>
NET CURRENT ASSETS		<u>53,283</u>	<u>75,625</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,404</u>	<u>97,248</u>
NON-CURRENT LIABILITIES			
Contract liabilities – non-current portion	2	208	–
Borrowings	14	3,346	26,500
		<u>3,554</u>	<u>26,500</u>
NET ASSETS		<u>71,850</u>	<u>70,748</u>
CAPITAL AND RESERVES			
Share capital	15	29,722	29,722
Reserves		42,128	41,026
TOTAL EQUITY		<u>71,850</u>	<u>70,748</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Reserves									Total HK\$'000
	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Share options reserve HK\$'000 (Unaudited)	Capital redemption reserve HK\$'000 (Unaudited)	Reorganisation reserve HK\$'000 (Unaudited) (Note b)	Investment revaluation reserve HK\$'000 (Unaudited)	Foreign currency translation reserve HK\$'000 (Unaudited)	Accumulated losses HK\$'000 (Unaudited)	Sub-total HK\$'000 (Unaudited)	
At 1 January 2017 (Audited)	24,822	163,243	46,670	37	3,000	-	(301)	(212,926)	(277)	24,545
Loss for the period	-	-	-	-	-	-	-	(1,948)	(1,948)	(1,948)
Other comprehensive (expense) income for the period	-	-	-	-	-	(312)	50	-	(262)	(262)
Total comprehensive (expense) income for the period	-	-	-	-	-	(312)	50	(1,948)	(2,210)	(2,210)
Lapsed of share options (Note a)	-	-	(29,395)	-	-	-	-	29,395	-	-
Issue of shares upon placing, net of expense (Note 15(a))	2,400	21,238	-	-	-	-	-	-	21,238	23,638
Issue of shares upon placing, net of expense (Note 15(b))	2,500	21,752	-	-	-	-	-	-	21,752	24,252
At 30 June 2017 (Unaudited)	<u>29,722</u>	<u>206,233</u>	<u>17,275</u>	<u>37</u>	<u>3,000</u>	<u>(312)</u>	<u>(251)</u>	<u>(165,479)</u>	<u>40,503</u>	<u>70,225</u>
At 1 January 2018 (Audited)	29,722	206,233	16,806	37	3,000	-	(216)	(184,834)	41,026	70,748
Profit for the period	-	-	-	-	-	-	-	1,106	1,106	1,106
Other comprehensive (expense) income for the period	-	-	-	-	-	-	(4)	-	(4)	(4)
Total comprehensive (expenses) income for the period	-	-	-	-	-	-	(4)	1,106	1,102	1,102
At 30 June 2018 (Unaudited)	<u>29,722</u>	<u>206,233</u>	<u>16,806</u>	<u>37</u>	<u>3,000</u>	<u>-</u>	<u>(220)</u>	<u>(183,728)</u>	<u>42,128</u>	<u>71,850</u>

Notes:

- During the six months ended 30 June 2017, the Group reversed the share options reserve of approximately HK\$29,395,000 upon the lapse of 172,690,000 share options.
- The amount represented the reserve arising from group reorganisation of the Company during the year ended 31 December 2000.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Six months ended	
	30 June	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash from (used in) operating activities	19,349	(5,352)
Net cash used in investing activities	(1,630)	(17,247)
Net cash (used in) from financing activities	<u>(10,933)</u>	<u>47,890</u>
Net increase in cash and cash equivalents	6,786	25,291
Cash and cash equivalents at 1 January	4,718	5,753
Effect of foreign exchange rate changes	<u>(4)</u>	<u>17</u>
Cash and cash equivalents at 30 June, Represented by bank balances and cash	<u>11,500</u>	<u>31,061</u>

Notes:

1. General information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the sales and licensing of the software and embedded systems and the provision of IT services, provision of financing services and provision of financial public relations services. There were no significant changes in the Group's operations during the six months ended 30 June 2018.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

2. Summary of significant accounting policies

The unaudited condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the unaudited condensed consolidated financial statements include applicable disclosures requirements of Chapter 18 of the Rules Governing the Listing of Securities of GEM ("GEM Listing Rules").

The unaudited condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. The accounting policies and basis of preparation adopted in these interim financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include individual HKFRSs, HKASs and Interpretations).

The unaudited condensed consolidated financial statements for the six months ended 30 June 2018 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 2017.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2018 have not been audited by the Company's auditors but have been reviewed by the Company's audit committee.

The HKICPA has issued a number of revised HKFRSs which are generally effective for accounting periods beginning on or after 1 January 2018. The Group has adopted the following revised standards for the first time for these unaudited condensed consolidated financial statements for the six months ended 30 June 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Interpretation (“Int”) 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 40	Transfer of Investment Property
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycles

The Group has not applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective. The Group has commenced an assessment of the impact of these new standards and amendments, but is not yet in a position to state whether they would have a significant impact on its results and financial position.

3. Suspension of trading

The trading in shares of the Company has been suspended with effect from 9:00 a.m. on 12 April 2018, please refer to the Company’s announcements dated 28 July 2017, 2 August 2017, 31 October 2017, 13 November 2017, 22 December 2017, 2 January 2018 and 11 April 2018 for details of the listing status of the Company. The Company is required to submit a resumption proposal to demonstrate that it has a sufficient level of operations or assets as required by the GEM Listing Rule 17.26 at least 10 business days before the expiry of a period of six months from the date of the decision letter of the Listing Appeals Committee (i.e. 10 October 2018). If the Company fails to submit a viable resumption proposal by the aforesaid deadline, the Stock Exchange will proceed with cancellation of the Company’s listing.

On 20 July 2018, the Company has submitted a resumption proposal (the “Resumption Proposal”) to the Stock Exchange in accordance with the GEM Listing Rules.

4. Revenue and segment information

i. Revenue

An analysis of the Group's revenue by major products and services for the three months and six months ended 30 June 2018 are as follows:

	Unaudited			
	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales and licensing of software and embedded systems through packaged software	361	561	888	998
Sales and licensing of software and embedded systems through online platform	364	350	736	698
IT platform development and maintenance service income	40	–	579	–
Interest income	2,658	534	6,180	1,078
Financial public relations services income	1,494	–	3,233	–
	<u>4,917</u>	<u>1,445</u>	<u>11,616</u>	<u>2,774</u>

ii. Segment information

Information reported to the Board, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance, focus on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the CODM has been aggregated in arriving at the reportable segments of the Group.

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

- Sales and licensing of software and embedded systems ("Software Business") and provision of I.T. services
- Provision of financing services ("Financial Business")
- Provision of financial public relations services ("Financial PR Business")

a. **Segment revenue and results**

The following is an analysis of the Group's revenue and results by reportable and operating segments for the six months ended 30 June 2018:

	Unaudited Six months ended 30 June							
	Sales and licensing of software and embedded systems and provision of I.T. services		Provision of financing services		Provision of financial public relations services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
External sales	<u>2,203</u>	<u>1,696</u>	<u>6,180</u>	<u>1,078</u>	<u>3,233</u>	<u>-</u>	<u>11,616</u>	<u>2,774</u>
Result								
Segment results	<u>193</u>	<u>19</u>	<u>4,952</u>	<u>234</u>	<u>725</u>	<u>-</u>	<u>5,870</u>	<u>253</u>
Interest income							23	12
Other income							-	843
Share of profit of associates							-	71
Unallocated expenses							<u>(4,211)</u>	<u>(3,127)</u>
Profit (loss) before tax							<u>1,682</u>	<u>(1,948)</u>

Segment results represented the profit earned by each segment without allocation of central administration costs, directors' emoluments, interest income and interest income from held-to-maturity investments. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

There were no inter-segment sales during the six months ended 30 June 2018 and 30 June 2017.

b. Segment assets and liabilities

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

	Unaudited As at 30 June							
	Sales and licensing of software and embedded systems and provision of I.T. services		Provision of financing services		Provision of financial public relations services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	3,022	2,753	67,150	25,083	4,020	–	74,192	27,836
Unallocated assets:								
Available-for-sale investments							–	9,106
Investment in an associate							–	7,571
Held-to-maturity investments							1,040	–
Bank balances and cash*							927	25,359
Others							2,244	1,868
							<u>78,403</u>	<u>71,740</u>
Consolidated assets								
Segment liabilities	775	651	4,197	175	1,159	–	6,131	826
Unallocated liabilities							422	689
							<u>6,553</u>	<u>1,515</u>
Consolidated liabilities								

* certain bank balances and cash are allocated to operating segments

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

- All assets are allocated to operating segments other than certain property, plant and equipment, certain other receivables, certain bank balances and cash, financial assets at fair value through profit or loss and held-to-maturity investments.
- All liabilities are allocated to operating segments other than certain other payables and accrued expenses.

c. Other segment information

	Unaudited Six months ended 30 June											
	Sales and licensing of software and embedded systems and provision of I.T. services				Provision of financing services		Provision of financial public relations services		Unallocated		Total	
	2018		2017		2018		2017		2018		2017	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts included in the measurement of segment profit or loss:												
Depreciation of property, plant and equipment	3	20	6	3	97	-	9	5	115	28		
Additions to property, plant and equipment	-	-	4	-	609	-	-	-	613	-		
Finance costs	-	-	760	-	-	-	-	-	760	-		
Interest income from held-to- maturity investments	-	-	-	-	-	-	(22)	(10)	(22)	(10)		
Interest income	-	-	(1)	(1)	-	-	-	(1)	(1)	(2)		

d. Geographical information

For the six months ended 30 June 2018 and 30 June 2017, all of the Group's revenue and non-current assets are derived from customers and operations based in Hong Kong, and accordingly, no further analysis of the Group's geographical information is disclosed.

5. Other income

	Unaudited			
	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income	-	1	1	2
Interest income from held-to-maturity Investments	13	6	22	10
Write back of other payables and accrued expenses	-	843	-	843
	<u>13</u>	<u>850</u>	<u>23</u>	<u>855</u>

6. (Loss) profit before tax

	Unaudited			
	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Loss) profit before tax is arrived after charging:				
Depreciation of property, plant and equipment	61	14	115	28
Cost of inventories recognised as expenses	17	20	38	35
Finance cost recognised as cost of revenue	307	–	760	–

7. Income tax expense

	Unaudited			
	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong Profits Tax				
Current period	202	–	576	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2018. For the six months ended 30 June 2017, no Hong Kong Profits Tax has been provided as the Group did not generate any assessable profits arising in Hong Kong.

Under the Law of the People's Republic of China Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both periods ended 30 June 2018 and 2017.

No profits tax has been provided for the subsidiaries which are operating outside Hong Kong as these subsidiaries have not generated any assessable profits in the respective jurisdictions for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

8. (Loss) earnings per share

The calculation of the basic (loss) earnings per share attributable to the owners of the Company is based on the consolidated loss for the three months ended 30 June 2018 and the consolidated profit for the six months ended 30 June 2018 attributable to the owners of the Company of approximately HK\$785,000 and HK\$1,106,000 respectively (three months and six months ended 30 June 2017: loss of HK\$606,000 and loss of HK\$1,948,000 respectively) and the weighted average number of shares of 2,972,150,000 (three months and six months ended 30 June 2017: 2,482,150,000 and 2,563,917,956 respectively) ordinary shares of the Company in issue during the respective periods.

For the six months ended 30 June 2018, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of the share options is higher than the average market price of the shares of the Company during the period. Diluted loss per share for the three months ended 30 June 2018 and 30 June 2017 and six months ended 30 June 2017 were not presented because the exercise of the outstanding share options would have anti-dilutive effect on the basic loss per share.

9. Interim dividend

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

10. Property, plant and equipment

There were HK\$613,000 addition of property, plant and equipment for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

11. Inventories

	As at	
	30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
Merchandise	24	18
Finished goods	21	20
Net realisable value of inventories	<u>45</u>	<u>38</u>

12. Trade and other receivables

	As at	
	30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
Trade receivables (Note a)	2,696	2,388
Prepayments	173	214
Deposits (Note b)	2,932	418
Other receivables	40	71
	<u>3,145</u>	<u>703</u>
Total trade and other receivables	<u>5,841</u>	<u>3,091</u>

Notes:

- (a) Trade receivables at the end of the reporting period comprised amounts receivable from the sales of goods and provision of services. No interest is charged on the trade receivables.

The Group generally allows an average credit period of 0-30 days to its customers. The aging analysis of the Group's trade receivables presented based on invoice date as at the end of the reporting period is as follows:

	As at	
	30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
0-30 days	320	1,129
31-90 days	496	974
91-180 days	801	285
Over 180 days	1,079	-
	<u>2,696</u>	<u>2,388</u>

- (b) Included in deposits as at 30 June 2018 was an amount of HK\$2,000,000 (31 December 2017: Nil) as non-refundable deposit paid to Mr. Lee Dong Gun (the "Vendor") pursuant to the sale and purchase agreement dated 1 June 2018 (the "Agreement") entered into between Zenith Lead Limited, a direct wholly-owned subsidiary of the Company (the "Purchaser"), and the Vendor in respect of the conditional acquisition (the "Acquisition") of the entire issued share capital of Win Talent Consultants Limited (the "Target Company"). Details of the Acquisition please refer to the Company's announcement dated 24 July 2018.

13. Loan and interest receivables

	As at	
	30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
Mortgage loans	16,680	40,854
Less: Allowances	<u>(1,829)</u>	<u>(1,829)</u>
	<u>14,851</u>	<u>39,025</u>
Personal loans	<u>43,403</u>	<u>52,105</u>
Loan and interest receivables (including interest receivables of HK\$1,818,000 (31 December 2017: HK\$2,330,000))	<u>58,254</u>	<u>91,130</u>
Analysed for reporting purposes as:		
Non-current assets	20,500	20,500
Current assets	<u>37,754</u>	<u>70,630</u>
	<u>58,254</u>	<u>91,130</u>

The loan receivables from customers bore fixed interest rate ranging from 1.25% to 1.92% (31 December 2017: 1.25% to 1.92%) per month and were repayable according to the terms of the loan agreements. Included in the gross balances are loans of approximately HK\$16,680,000 (31 December 2017: HK\$40,854,000) which are secured by real estates in Hong Kong.

Included in the loan and interest receivables with gross amount of approximately HK\$1,829,000 which are past due have been fully impaired for the year ended 31 December 2016.

All loan and interest receivables are denominated in HK\$. The maturity profile of these loan receivables from customers (including interest receivables), net of impairment losses recognised, at the end of reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	As at	
	30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
Past due but not impaired	16,082	2,600
Less than 3 months	8,572	19,781
Over 3 months but less than 1 year	13,100	48,249
Over 1 year but less than 3 years	20,500	20,500
	<u>58,254</u>	<u>91,130</u>

14. Borrowings

	As at	
	30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
Secured:		
Other loans	<u>3,346</u>	<u>26,500</u>
Carrying amount repayable:		
More than one year but not exceeding two years, and amount shown under non-current liabilities	<u>3,346</u>	<u>26,500</u>

Notes:

The Group's borrowings are loans borrowed by a wholly-owned subsidiary of the Company. The Company has provided corporate guarantee for the borrowings.

The Group's borrowings are all denominated in HK\$. The loans bear interest at fixed rate of 8% per annum. As at 30 June 2018, the balance of loans amounted to HK\$346,000 and HK\$3,000,000 (31 December 2017: HK\$23,500,000 and HK\$3,000,000) are repayable on 20 September 2019 and 4 December 2019 respectively.

15. Share capital

	Number of shares '000	Amount HK\$'000
Share with par value of HK\$0.01 each		
Authorised:		
At 1 January 2017 (Audited), 31 December 2017 (Audited) and 30 June 2018 (Unaudited)	<u>50,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 January 2017 (Audited)	2,482,150	24,822
Issue of shares by way of placing (Note a)	240,000	2,400
Issue of shares by way of placing (Note b)	<u>250,000</u>	<u>2,500</u>
As at 31 December 2017 (Audited) and 30 June 2018 (Unaudited)	<u><u>2,972,150</u></u>	<u><u>29,722</u></u>

Notes:

- (a) On 12 April 2017, the Company entered into a placing agreement (the "First Placing Agreement") with Pacific Foundation Securities Limited (the "First Placing Agent"). Pursuant to the First Placing Agreement, the First Placing Agent has conditionally agreed to place, on a best effort basis, up to an aggregate of 240,000,000 placing shares (the "First Placing") to not less than six placees, who and whose ultimate beneficial owners are independent third parties, at a price of HK\$0.1 per placing share. The First Placing was completed on 17 May 2017 where 240,000,000 placing shares have been placed to not less than six placees pursuant to the terms and conditions of the First Placing Agreement. The net proceeds from the First Placing were approximately HK\$23,638,000. The Company used the net proceeds from the First Placing for general working capital of the Group and repayment of the promissory note issued by the Company in relation to the acquisition of interests in associates.
- (b) On 1 June 2017, the Company entered into another placing agreement (the "Second Placing Agreement") with Gransing Securities Co., Limited (the "Second Placing Agent"). Pursuant to the Second Placing Agreement, the Second Placing Agent has conditionally agreed to place, on a best endeavor basis, up to an aggregate of 250,000,000 placing shares (the "Second Placing") to placee(s), who and whose ultimate beneficial owners are independent third parties, at a price of HK\$0.1 per placing share. The Second Placing was completed on 15 June 2017 where 250,000,000 placing shares have been placed to not less than six placees pursuant to the terms and conditions of the Second Placing Agreement. The net proceeds from the Second Placing were approximately HK\$24,252,000. The Company used the net proceeds from the Second Placing for general working capital of the Group and provision of financial services business.
- (c) All shares issued during the year ended 31 December 2017 ranked pari passu in all respects with all shares then in issue.

16. Share-based employee compensation

The share options vest upon the commencement of the exercise period, which is determined by the Directors at the date of grant.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

Upon the termination of employment by retirement or resignation of directors and employees of the Company, the relevant eligible participants may exercise their options in whole or in part at any time within a period of three months commencing on the date of the cessation or termination of employment and any options not so exercised shall lapse at the end of such period.

The options may be exercised at any time of the option period provided that the options have been vested. The options were vested upon commencement of exercise period.

No liabilities were recognised due to these equity-settled share-based payment transactions.

	2018	2018	2017	2017
		Weighted		Weighted
	Number	average	Number	average
		exercise		exercise
		price		price
		HK\$		HK\$
Exercisable period:				
At 1 January				
29/5/2007 to 28/5/2017	-		171,190,000	0.450
21/9/2011 to 20/9/2021	-		2,250,000	0.172
10/1/2014 to 9/1/2024	240,490,000	0.147	244,890,000	0.147
	<u>240,490,000</u>		<u>418,330,000</u>	
Lapsed during the periods				
29/5/2007 to 28/5/2017	-		(171,190,000)	0.450
21/9/2011 to 20/9/2021	-		(500,000)	0.172
10/1/2014 to 9/1/2024	-		(1,000,000)	0.147
	-		<u>(172,690,000)</u>	
At 30 June				
21/9/2011 to 20/9/2021	-		1,750,000	0.172
10/1/2014 to 9/1/2024	240,490,000	0.147	243,890,000	0.147
	<u>240,490,000</u>		<u>245,640,000</u>	

There was no (30 June 2017: 172,690,000) share options lapsed during the six months ended 30 June 2018.

17. Commitments

(a) Capital commitments

At 30 June 2018, the Group had capital expenditures contracted but not provided for of HK\$76,000,000 (31 December 2017: Nil), which primarily related to the Acquisition.

(b) Operating leases

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	As at	
	30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
Within one year	2,714	1,259
In the second to the fifth years, inclusive	<u>2,677</u>	<u>449</u>
	<u>5,391</u>	<u>1,708</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Liquidity and financial resources

The Group relies on its internal generated resources, the net proceeds from the placing of new shares and the obtainments of external facilities from the independent third parties as the sources of funding. The Group keeps most of its cash in Hong Kong dollars in the bank accounts in Hong Kong and maintains source of cash in Renminbi in the bank accounts of its subsidiaries in the People's Republic of China (the "PRC") as working capital of the Group.

There was no pledge on the Group's assets as at 30 June 2018 (31 December 2017: Nil).

As at 30 June 2018, the Group's current ratio was approximately 18.8 compared to approximately 26.6 as at 31 December 2017. As at 30 June 2018, the Group had total assets of approximately HK\$78,403,000 (31 December 2017: HK\$100,202,000), which is financed by total liabilities and shareholders' equity of approximately HK\$6,553,000 and HK\$71,850,000 (31 December 2017: HK\$29,454,000 and HK\$70,748,000) respectively.

As at 30 June 2018, the Group had borrowings of approximately HK\$3,346,000 (31 December 2017: HK\$26,500,000) which were all denominated in HK\$, bearing an interest rate of 8% per annum (31 December 2017: 8%) and having a fixed term of two years.

The gearing ratio of the Group, based on total interest-bearing borrowings divided by total equity, was 0.05 as at 30 June 2018 (31 December 2017: 0.37). The Directors, taking into account the nature and scale of operations and capital structure of the Group, considered the gearing ratio as at 30 June 2018 was satisfactory.

Order book

Due to the nature of the Group's business, the Group does not maintain an order book.

Investments

There was no significant investment made during the six months ended 30 June 2018.

During the six months ended 30 June 2017, the Group invested in Hong Kong's listed securities recognised as long-term investments and recognised decrease in fair value of available-for-sale investments of approximately HK\$312,000.

Acquisition, disposal of subsidiary and affiliated companies

On 1 June 2018, the Purchaser entered into the Agreement with the Vendor pursuant to which the Vendor had conditionally agreed to sell and the Purchaser had conditionally agreed to purchase one share of the Target Company, representing the entire issued share capital of the Target Company ("Sale Share"), for a consideration of HK\$78,000,000 which shall be settled by the Purchaser in cash. As at the date of this report, the Acquisition has not been completed yet. Details of the Acquisition has been disclosed in the announcement of the Company dated 24 July 2018.

Save for the above, the Group did not have any material acquisition or disposal of subsidiaries or affiliated companies for the six months ended 30 June 2018.

For the six months ended 30 June 2017, the Company and an independent third party entered into a sale and purchase agreement dated 11 April 2017 regarding the acquisition of 15,000 ordinary shares of US\$1 each in Master Ace Group Corporation ("Master Ace") which was completed on 26 April 2017. Upon completion of this transaction, the Company held a 30% equity interests in Master Ace and exercised significant influence over Master Ace, and therefore Master Ace and its subsidiaries were classified as associates of the Company.

Human Resources

Staff number

As at 30 June 2018, the Group employed 31 staff (30 June 2017: 27). Total staff costs, including directors' emoluments were approximately HK\$4.3 million for the six months ended 30 June 2018 as compared with that of approximately HK\$3.9 million for the corresponding period of the preceding financial year.

Remuneration policies

The Group remunerated its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as the individuals' performance.

Future plans for material investments and capital assets

Reference is made to the announcement of the Company dated 24 July 2018 that on 1 June 2018, the Purchaser and the Vendor entered into the Agreement in relation to the Acquisition of the Sale Share, representing the entire issued share capital of the Target Company for a consideration of HK\$78,000,000, which shall be settled by the Purchaser in cash upon completion subject to the satisfaction of the terms and conditions under the Agreement on or before nine (9) months from the date of the Agreement, or such later date as the Vendor and the Purchaser may agree in writing. As at the date of this report, the Acquisition has not been completed yet. The Acquisition forms part of the Resumption Proposal.

Segment information

Details of the segment information have been set out in Note 4 under Notes to the unaudited condensed consolidated financial statements and further elaborated under "Business Review and Prospects".

Hedging policy

The Group does not have any material exposure to fluctuations in exchange or interest rates. Therefore, no hedging measures have been taken at present.

Contingent liabilities

The Group does not have any contingent liabilities as at 30 June 2018 (31 December 2017: Nil).

Credit policy

The credit terms given to customers are generally based on the financial strengths of individual customers. The Group generally allows an average credit term of 0–30 days to its trade customers.

BUSINESS REVIEW AND PROSPECTS

Overall performance

The consolidated turnover for the Company and its subsidiaries for the six months ended 30 June 2018, amounted to HK\$11,616,000, representing a dramatic increase of 318.7% from the corresponding period of previous year. Net gain attributable to owners of the Company for the six months ended 30 June 2018 was HK\$1,106,000 (six months ended 30 June 2017: loss of HK\$1,948,000). Earnings per share attributable to the owners of the Company for the six months ended 30 June 2018 is HK0.04 cent (loss per share for the six months ended 30 June 2017: HK0.08 cent).

The Group recorded loan interest income of approximately HK\$6,180,000 from the provision of financing services for the six months ended 30 June 2018, representing a considerable increase of 473.3% from the corresponding period of previous year (six months ended 30 June 2017: HK\$1,078,000). The average balance of loan and interest receivables during the six months ended 30 June 2018 was HK\$77,746,000 (31 December 2017: HK\$35,013,000).

The Group recorded revenue of approximately HK\$736,000 from sales and licensing of software and embedded system through online platform for the six months ended 30 June 2018, representing a slight increase of 5.4% from the corresponding period of previous year (six months ended 30 June 2017: HK\$698,000).

Packaged software sales for the six months ended 30 June 2018 was approximately HK\$888,000, representing a decrease of 11.0% from corresponding period of previous year (six months ended 30 June 2017: HK\$998,000). The Group generated revenue of approximately HK\$579,000 from the provision of IT services for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

The Group recorded revenue of approximately HK\$3,233,000 from the provision of financial public relations services for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

The Group's total operating expenses for the six months ended 30 June 2018 were approximately HK\$7,712,000 representing an increase of 37.4% as compared to the six months ended 30 June 2017 (six months ended 30 June 2017: HK\$5,613,000).

Business development

Considering the Group has been in a loss position for years and in order to improve the financial performance of the Group, the Company has commenced the financial business which involves provision of financing services since June 2013 and the financial public relations business since July 2017. Despite the above, the Group still recorded loss for the year ended 31 December 2017. In light of the above, the management of the Group intends to further diversify its business through the Acquisition for broadening its income stream so as to strengthen its financial position. Meanwhile, the Group has entered into negotiations to dispose of the Software Business and the Financial PR Business. The Group also intends to scale down the Financial Business.

The Acquisition constitutes a very substantial acquisition and reverse takeover on the part of the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Company will be treated as if it were a new listing applicant under Rule 19.54 of the GEM Listing Rules and the Acquisition is therefore subject to the approval by the GEM Listing Committee of the new listing application to be made by the Company. As at the date of this report, the Company has identified sponsor in respect of the new listing application and to initiate the new listing application process but the new listing application has not yet been submitted to the Stock Exchange.

ADVANCE TO AN ENTITY

Pursuant to Rule 17.15 of the GEM Listing Rules, a disclosure obligation arises when advance to an entity from the Company exceeds 8% of the total assets of the Company. As at 30 June 2018, the Company's total assets were approximately HK\$78,623,000. Pursuant to Rule 17.22 of the GEM Listing Rules, details of the advance which remained outstanding as at 30 June 2018 were set out below:

Loan Agreement A

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

Loan Agreement B

Date of Agreement	: 25 September 2017
Lender	: Fortune Credit Limited, an indirect wholly-owned subsidiary of the Company
Borrower	: Customer C and Customer D, each of them is an individual and a third party independent of the Company
Principal	: HK\$10,500,000
Interest rate	: 16% per annum
Term	: Three (3) years
Repayment	: Both Customers C and D shall pay the interest accrued on the loan on a monthly basis and shall repay the principal amount of the loan together with any outstanding interest accrued thereon on the due date of the loan
Collateral	: A second legal charge in respect of a property located in Hong Kong

Loan Agreement C

Date of Agreement	: 30 September 2017
Lender	: Fortune Credit Limited, an indirect wholly-owned subsidiary of the Company
Borrower	: Customer E, an individual and a third party independent of the Company
Principal	: HK\$10,000,000
Interest rate	: 16% per annum
Term	: Two (2) years
Repayment	: Customer E shall pay the interest accrued on the loan on a monthly basis and shall repay the principal amount of the loan together with any outstanding interest accrued thereon on the due date of the loan

It is required under Rule 17.17(3) of the GEM Listing Rules to disclose the identities of the Customer A, Guarantor B, Customer C, Customer D and Customer E (collectively, the "Customers"). As each of the Customers is unwilling to disclose his identity to public and also for other commercial considerations, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 17.17(3) of the GEM Listing Rules to disclose the identities of the Customers.

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

As at 30 June 2018, save for the interests of the Directors in share options as below, neither the Directors nor the chief executive of the Company had interests and/or short positions in the shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

LONG POSITIONS IN UNDERLYING SHARES OF THE COMPANY

Share Option

As at 30 June 2018, there were a total of 3,400,000 outstanding share options of the Company granted to the Directors, details of which are summarised in the following table:

Directors	Date of grant	Options to subscribe for shares of the Company				Outstanding as at 30 June 2018	Option exercise period	Exercise price per share	Approximate percentage of shareholding
		Outstanding as at 1 January 2018	Granted during the period	Exercised during the period	Lapsed during the period				
Poon Yu Keung	10/1/2014	1,200,000	-	-	-	1,200,000	10/1/2014 to 9/1/2024	HK\$0.147	0.04%
Hung Ching Fung	10/1/2014	1,200,000	-	-	-	1,200,000	10/1/2014 to 9/1/2024	HK\$0.147	0.04%
Chow Wing Tung	10/1/2014	1,000,000	-	-	-	1,000,000	10/1/2014 to 9/1/2024	HK\$0.147	0.03%
Total		<u>3,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,400,000</u>			

Note: The option exercise period is commenced from the date of grant for ten years. The option may be exercised at any time within the option period provided that the options have been vested. As at 30 June 2018, all options have been vested.

Save as disclosed above, none of the Directors or the chief executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2018.

SHARE OPTION SCHEMES

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

As at 30 June 2018, options to subscribe for up to an aggregate of 240,490,000 shares of HK\$0.01 each had been granted by the Company under the New Share Option Scheme. Details of the share options which had been granted under the Share Option Scheme are as follows:

Category of participant	Date of grant	Options to subscribe for shares of the Company					Option exercise period	Exercise price per share
		Outstanding as at 1 January 2018	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 June 2018		
Directors	10/1/2014	3,400,000	-	-	-	3,400,000	10/1/2014 to 9/1/2024	HK\$0.147
Consultants	10/1/2014	237,090,000	-	-	-	237,090,000	10/1/2014 to 9/1/2024	HK\$0.147
Total		<u>240,490,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,490,000</u>		

Notes:

- (i) The option exercise period is commenced from the date of grant for ten years. The options may be exercised at any time within the option period provided that the options have been vested. As at 30 June 2018, all options have been vested.
- (ii) During the six months ended 30 June 2018, no options were lapsed, exercised or cancelled.

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

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

As at 30 June 2018, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, the Directors are not aware of any other party (save for those disclosed above in respect of the Directors and chief executives) who had interests or short positions in the shares or underlying shares of the Company which were interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

INTERESTS IN COMPETING BUSINESS

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

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

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company did not redeem any of its listed securities during the six months ended 30 June 2018. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the six months ended 30 June 2018.

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 17.50A(1) OF THE GEM LISTING RULES

Pursuant to the Rule 17.50A(1) of the GEM Listing Rules, there is a change in the information of the Directors since the date of the 2017 Annual Report of the Company during the course of their terms of office as required to be disclosed as follows:

Mr. Yam Chiu Fan Joseph, an independent non-executive Director of the Company, was re-designed as a non-executive director of Prime Intelligence Solutions Group Limited (a company whose share are listed on GEM of the Stock Exchange (stock code: 8379) since 14 February 2018) on 1 April 2017.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the six months ended 30 June 2018.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance. Maintaining a good and solid framework of corporate governance will ensure the Company to run its business in the best interests of the shareholders of the Company. Throughout the six months ended 30 June 2018 under review, the Company has complied with the code provisions of the Corporate Governance Code (the "Code") set out in Appendix 15 of the GEM Listing Rules, with the exception of deviation set out below.

Under Code Provision A.2.1, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. During the six months ended 30 June 2018 under review, the Company has not appointed a chairman, and the roles and functions of a chairman have been performed by all the executive Directors collectively.

Under Code Provision A.6.7, independent non-executive directors and non-executive director should attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Mr. Chow Wing Tung and Mr. Ko Wai Lun Warren, the independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 14 June 2018 due to their respective other important engagements elsewhere.

AUDIT COMMITTEE

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

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control procedures. The Group's unaudited condensed consolidated results for the six months ended 30 June 2018 have been reviewed by the Audit Committee together with management, which was of the opinion that the preparation of such results were complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board on 9 August 2018.

On behalf of the Board
Cloud Investment Holdings Limited
Ng Chung Yuen Frank
Executive Director

Hong Kong, 9 August 2018

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

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