CARRY WEALTH HOLDINGS LIMITED
恒富控股有限公司
(Incorporated in Bermuda with limited liability)
Website: http://www.carrywealth.com
(Stock Code: 643)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board of directors (the "Board") of Carry Wealth Holdings Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Business Review

For the six months ended 30 June 2016, the Group's revenues amounted to HK$39.1 million (2015: HK$111.7 million) and gross loss was HK$16.7 million (2015: gross profit of HK$42.2 million). Loss attributable to equity holders was HK$39.4 million (2015: profit of HK$14.3 million). The basic and diluted loss per share were both 4.81 HK cents (2015: basic and diluted earnings per share were 1.77 HK cents and 1.75 HK cents respectively).

During the period under review, global market conditions and consumer sentiment were gloomy. The US economy expanded at a soft rate after the US Federal Reserve initiated an interest rate hike in December 2015. The 2016 first quarter GDP increased at an annual rate of only 0.5%, a two-year low and the low job growth in May 2016 reflected the US economic engine was still not strong enough. In Mainland China, the economy was slowing down and appeared that it might follow a L-shaped development curve. During the reporting period, fixed asset investment growth rate, a key driver for Mainland China economy, slipped below 10% for the first time since year 2000. The underperforming economic data reflected weak customer confidence and soft consumption. While in the Euro zone, the unexpected British vote to leave the European Union in June 2016 had created economic turbulence in the region and negatively affected its economic stability. Facing this difficult environment, the Group's revenue from the garment manufacturing and trading business decreased by 25.8% to HK$59.0 million (2015: HK$79.5 million) and the gross profit plummeted to HK$3.1 million (2015: HK$9.9 million) amid intense competition.

Influenced by the uncertainties on interest rate hikes in the US, the slowdown of China economic growth and British vote to leave the European Union, the Hong Kong stock market was volatile in the first half of 2016. The Hang Seng Index closed at 20,794 points on 30 June 2016 and dropped by 20.8% compared to 30 June 2015. For the six months ended 30 June 2016, the Group's securities investment business recorded a negative revenue and gross loss of HK$19.8 million (2015: positive revenue and gross profit of HK$32.3 million).

During the period under review, the ratio of selling expenses to the garment manufacturing and trading revenue was 2.1% (2015: 1.8%) while administrative expenses slightly decreased to HK$21.2 million (2015: HK$22.7 million).

Segment Analysis

a) Garment manufacturing and trading segment

In the US, though the job and consumer markets showed improvements, household consumption and spending only increased at soft rate. As a result, revenue from the US customers decreased to HK$25.3 million (2015: HK$29.7 million) and accounted for 42.9% (2015: 37.4%) of the segment revenue.

In Mainland China, the economic growth engine continued to cool down. The 2016 second quarter GDP reached 6.7%, which was the lowest level since 2009. The Consumer Price Index remained low compared with the official target of 3%. A factory survey had indicated stagnation in the manufacturing sector. During the period under review, revenue from Mainland China customers decreased by 53.8% to HK$18.2 million (2015: HK$39.4 million) which accounted for 30.9% (2015: 49.5%) of the segment revenue. While in the Euro zone, the demand was still weak as the overall economy in the region remained fragile. Revenue from European customers was HK$9.5 million (2015: HK$7.8 million) and accounted for 16.1% (2015: 9.8%) of the segment revenue.

In summary, revenue from the garment manufacturing and trading segment for the six months ended 30 June 2016 dropped by 25.8% to HK$59.0 million (2015: HK$79.5 million) and recorded a loss of HK$8.0 million (2015: HK$2.3 million) owing to intensified competition.

b) Securities investment segment

During the first half of 2016, global stock markets were dominated by worries over declining oil prices, the slowdown in Mainland China's economic growth and the uncertainties about Brexit and timing of US interest rate hikes. The Hong Kong stock market was inevitably affected and became volatile, as both the Hang Seng Index and Hang Seng China Enterprises Index fell by 5.1% and 9.8% respectively as compared to 31 December 2015. Investor sentiment was fragile amid volatility in overseas and Hong Kong stock markets. In the period under review, the Group's securities investment recorded a fair value loss of HK$20.4 million (2015: fair value gain of HK$31.8 million) and the loss from this segment was HK$24.1 million (2015: profit of HK$26.1 million).

As at 30 June 2016, the Group's financial assets at fair value through profit or loss amounted to HK$101.8 million (31 December 2015: HK$121.6 million) and comprised 29 (31 December 2015: 24) Hong Kong listed corporations across diversified industries.

The top five largest listed equity securities held represented 41.4% (31 December 2015: 43.3%) of the total portfolio value and are in information technology, properties and construction, consumer goods and insurance by industry category. The largest equity securities held in term of the fair value represented 4.2% of the Group's net assets as at 30 June 2016.

During the period under review, in line with its business strategy to diversify from the traditional business, the Group entered into an agreement to acquire 27.5% equity interest in 鳳凰雲科技（北京）有限公司 (Phoenix Cloud Technologies (Beijing) Company Limited*) ("Phoenix Cloud") at a consideration of RMB 22 million (approximately HK$25.6 million). Phoenix Cloud was incorporated in Mainland China and is engaged in the sale and development of smart card application products used for non-cash payments in Mainland China. Before completion of the acquisition, Phoenix Cloud raised additional funds from certain new investors for its business development. Following the said capital injection, the Group finally acquired 24.75% equity interest in Phoenix Cloud upon completion.

*For identification purpose

Liquidity and Financial Resources

Adhering to a conservative financial management methodology, the Group continued to maintain a healthy financial position. As at 30 June 2016, the Group's cash and bank deposits totalled HK$69.0 million (31 December 2015: HK$88.4 million). Working capital represented by net current assets amounted to HK$155.1 million (31 December 2015: HK$220.6 million). The Group's current ratio was 3.8 (31 December 2015: 9.1).

Capital Expenditure

For the period under review, the Group incurred a total capital expenditure of HK$3.7 million (2015: HK$0.4 million) for the addition of leasehold improvements and motor vehicles.

Foreign Exchange Exposure

The Group's sales are principally transacted in US dollars and Renminbi. With a factory located in Mainland China and offices in Hong Kong and Mainland China, operating expenses of the Group are primarily denominated in Hong Kong dollars and Renminbi with some expenses also in US dollars. The Group is mainly exposed to US dollar exchange rate risk arising from sales transactions of its garments. As the US dollar is pegged to the Hong Kong dollar, exposure to foreign exchange risk is minimal.

The Group will closely monitor fluctuations in the value of the US dollar and, if necessary, will enter into forward exchange contracts to reduce exchange fluctuation risks.

Credit Policy

Consistent with prevailing industry practice, the Group's business was transacted on an open account basis with its long-standing customers. The credit ratings of customers are constantly reviewed and their respective credit limits adjusted, as and when necessary.

Charges on Assets

As at 30 June 2016, the Group had no charges on assets.

Contingent Liabilities

As at 30 June 2016, the Group had no contingent liabilities.

Human Resources and Remuneration Policies

The Group provides a harmonious working environment to employees whose commitment and expertise are critical to the long-term success of its business. The Group offers employees rewarding careers and provides them with a variety of training programmes aimed at enhancing their professionalism. It rewards employees according to prevailing market practices, individual experience and performance. To attract and retain high calibre employees, the Group also offers discretionary bonuses and share options to staff members based on performance of the individual as well as the Group.

As at 30 June 2016, the Group had a total of 926 (31 December 2015: 901) full-time employees in Mainland China and Hong Kong.

Environmental, Social and Corporate Responsibility

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. During the reporting period, the Group has established an environmental, social and governance management team to manage, monitor, recommend and report on environmental and social aspects. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment for the six months ended 30 June 2016. The Group understands a better future depends on everyone's participation and contribution in efforts to improve the society. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental protection and social activities which benefit the community as a whole.

The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

Outlook

Looking ahead, the progress towards global economy recovery is still long and rocky. The result of the British referendum will have far-reaching implications both for Euro zone and the entire world.

As for the US market, its economy is fundamentally healthy. The economic data indicate that the economy is improving. However, the coming presidential election and the potential for economic chaos in the Euro zone triggered by the British referendum will certainly affect the economic outlook and consumer sentiment. It is unlikely the US Federal Reserve will lift the interest rates quickly until there are firmer signs of economic growth.

In Mainland China, the Central Government will continue the supply-side reforms including reducing capacity, deleveraging and destocking and is unlikely to implement large scale stimulus measures to boost the economy. The recent capital outflow and devaluation of the Renminbi have raised concern about Mainland China's financial stability. Against such a backdrop, the Group expects that consumer sentiment will remain weak and demand will be sluggish. Nevertheless, the Group believes the Central Government is capable of avoiding an abrupt drop in its economic growth and preventing the economy from experiencing a hard landing.

While in the Euro zone, the British referendum to exit the European Union has negatively affected the region's economic outlook. British financial markets have become highly volatile and the British pound plunged to a thirty-one year low. There are worries that the British vote will lead to similar ballots in other countries and eventually lead to a breakup of the European Union. As seen in the recent bank crisis in Italy, the prospects of turmoil in the Euro zone loom large throughout this year.

Amid the economic uncertainties and weak consumer sentiment, the Group believes its garment manufacturing and trading business will be challenging and competitive in the second half of 2016.

The performance of the Hong Kong stock market in the second half of 2016 will continue to be affected by a combination of uncertainties in overseas markets and risks related to the Mainland market. After the British referendum, Britain may need to initiate at least a two-year discussion with the European Union on the terms of its exit. This will surely present considerable uncertainty and hinder investment sentiment. As for the US market, the timing of interest rate hikes will remain uncertain. The US dollar may continue to strengthen and may result in capital outflows from emerging markets. Facing these uncertain market conditions, overseas stock markets will remain volatile. In Mainland China, there are rising concerns about mounting bad debts and credit default risks. Coupled with the concern that the Renminbi might further depreciate amid the Mainland China's economic slowdown, investment sentiment will likely be fragile. These trends will continue to affect the outlook of the Hong Kong stock market. On a positive note, the Group sees an increasing flow of funds into the Hong Kong stock market under the Shanghai-Hong Kong Stock Connect as Mainland China investors seeking ways to hedge against Renminbi depreciation. With the expected launch of the stock connect plan between the Hong Kong and Shenzhen stock markets, the investment sentiment of the Hong Kong stock market will be potentially enhanced. The Group remains cautiously optimistic and will work to identify those equity securities with emerging value.

Looking ahead, we will continue to execute the established business strategies while at the same time explore diversification into other potentially lucrative areas. As always, the Group pledges to seek and evaluate every opportunity and will strive to achieve long-term sustainable growth in order to maximise returns to its shareholders.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2016 (2015: nil).

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Six months ended 30 June **2016** **(Unaudited)** **HK$'000**	 2015 (Unaudited) HK$'000
Revenues	3	**39,137**	111,739
Cost of sales		**(55,826)**	(69,538)
Gross (loss)/profit		**(16,689)**	42,201
Selling expenses		**(1,223)**	(1,403)
Administrative expenses		**(21,179)**	(22,650)
Operating (loss)/profit	4	**(39,091)**	18,148
Finance income		**56**	358
Share of result of a joint venture		**(347)**	-
(Loss)/profit before income tax		**(39,382)**	18,506
Income tax expense	5	**-**	(4,236)
(Loss)/profit for the period		**(39,382)**	14,270
(Loss)/profit attributable to equity holders of the Company		**(39,382)**	14,270
(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company during the period			
- basic (HK cents)	6	**(4.81)**	1.77
- diluted (HK cents)	6	**(4.81)**	1.75

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
(Loss)/profit for the period	**(39,382)**	14,270
Other comprehensive income		
Item that may be reclassified to profit or loss		
Currency translation differences	**(2,069)**	-
Total comprehensive (loss)/income for the period	**(41,451)**	14,270
Total comprehensive (loss)/income attributable to equity holders of the Company	**(41,451)**	14,270

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**At 30 June 2016 (Unaudited) HK$'000**	At 31 December 2015 (Audited) HK$'000
ASSETS			
Non-current assets			
Properties, plant and equipment		**52,284**	52,763
Investment in a joint venture	7	**25,234**	-
Land use rights		**13,657**	14,358
		91,175	67,121
Current assets			
Inventories		**23,332**	22,585
Trade and other receivables	8	**15,405**	15,379
Financial assets at fair value through profit or loss	9	**101,839**	121,639
Cash and cash equivalents		**69,023**	88,378
		209,599	247,981
Total assets		**300,774**	315,102
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**81,804**	81,804
Other reserves		**203,832**	205,901
Accumulated losses		**(46,459)**	(7,077)
Total equity		**239,177**	280,628

	Note	At 30 June 2016 (Unaudited) HK$'000	At 31 December 2015 (Audited) HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**7,127**	7,127
Current liabilities			
Trade and other payables	10	**51,955**	24,832
Income tax payable		**2,515**	2,515
		54,470	27,347
Total liabilities		**61,597**	34,474
Total equity and liabilities		**300,774**	315,102
Net current assets		**155,129**	220,634
Total assets less current liabilities		**246,304**	287,755

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards ("HKAS") 34, 'Interim financial reporting' issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2. Accounting policies

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2015, as described in 2015 annual financial statements.

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for a goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

There are no new standards, amendments and interpretations to existing standards that are effective for the first time for this interim period, which have a material impact on the Group.

The Group has not early adopted any new standards, amendments and interpretations to existing standards which have been issued but are not yet effective for the financial period beginning 1 January 2016. The Group is in the process of making an assessment of the impact of these new standards, amendments and interpretations to existing standards on the financial statements of the Group in their initial applications.

3. Segment information

During the period, the Group is principally engaged in garment manufacturing and trading and securities investment.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors.

The Board of Directors considers the business principally from the operations nature, with two segments identified: garment manufacturing and trading segment and securities investment segment.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted operating results. This measurement basis includes results of the operating segments before corporate administrative expenses, finance income, tax and share of result of a joint venture.

Revenue recognised during the period is as follows:

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Garment manufacturing and trading:		
Sale of garment products	**53,540**	70,213
Processing income	**5,443**	9,257
	58,983	79,470
Securities investment:		
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(20,387)**	31,843
Dividend income from listed equity securities	**541**	426
	(19,846)	32,269
	39,137	111,739

The unaudited segment results for the period ended 30 June 2016 by business segment is as follows:

	Garment manufacturing and trading segment HK$'000	**Securities investment segment HK$'000**	**Total HK$'000**
Revenue	**58,983**	**(19,846)**	**39,137**
Reportable segment results	**(8,006)**	**(24,148)**	**(32,154)**
Corporate administrative expenses			**(6,937)**
Operating loss			**(39,091)**
Finance income			**56**
Share of result of a joint venture			**(347)**
Loss before income tax			**(39,382)**
Income tax expense			**-**
Loss for the period			**(39,382)**

The unaudited segment results for the period ended 30 June 2015 by business segment is as follows:

	Garment manufacturing and trading segment HK$'000	Securities investment segment HK$'000	Total HK$'000
Revenue	79,470	32,269	111,739
Reportable segment results	(2,331)	26,109	23,778
Corporate administrative expenses			(5,630)
Operating profit			18,148
Finance income			358
Profit before income tax			18,506
Income tax expense			(4,236)
Profit for the period			14,270

The following table sets out information about the geographical location of the Group's revenue and non-current assets. In presenting the geographical information, segment revenue is based on the geographical location of external customers and segment non-current assets are based on geographical location of the assets.

	Revenue		**Non-current assets**	
	Six months ended 30 June		**At 30 June**	At 31 December
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000	**2016 (Unaudited) HK$'000**	2015 (Audited) HK$'000
United States of America	**25,301**	29,739	**-**	-
Mainland China	**18,201**	39,358	**88,824**	66,355
Europe	**9,484**	7,822	**-**	-
Hong Kong	**(18,120)**	32,858	**2,351**	766
Rest of the World	**4,271**	1,962	**-**	-
	39,137	111,739	**91,175**	67,121

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging the following:

	Six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Amortisation of land use rights	**171**	182
Depreciation of property, plant and equipment	**2,429**	2,292

5. Income tax expense

No provision for Hong Kong profits tax had been made for the six months ended 30 June 2016 as the Group had no estimated assessable profit. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2015.

The amount of income tax charged to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Current income tax:		
- Hong Kong profits tax	**-**	2,496
Deferred income tax	**-**	1,740
	-	4,236

6. (Loss)/earnings per share

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
(Loss)/profit attributable to equity holders of the Company	**(39,382)**	14,270
Weighted average number of ordinary shares in issue (thousands)	**818,042**	804,700
Basic (loss) /earnings per share (HK cents per share)	**(4.81)**	1.77

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the period ended 30 June 2016, the Company does not have dilutive potential ordinary shares. For the period ended 30 June 2015, the Company has share options as the only category of dilutive potential ordinary shares.

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
(Loss)/profit attributable to equity holders of the Company	**(39,382)**	14,270
Weighted average number of ordinary shares in issue (thousands)	**818,042**	804,700
Adjustments for share options (thousands)	**-**	9,349
Weighted average number of ordinary shares for diluted (loss)/earnings per share (thousands)	**818,042**	814,049
Diluted (loss)/earnings per share (HK cents per share)	**(4.81)**	1.75

7. Investment in a joint venture

	At 30 June 2016 (Unaudited) HK$'000	At 31 December 2015 (Audited) HK$'000
At 1 January	**-**	-
Addition	**25,581**	-
Share of after tax loss	**(347)**	-
	25,234	-

Details of the Group's joint venture as at 30 June 2016 are as follows:

Company name	**Place of incorporation and kind of legal entity**	**Principal activities and place of operation**	**Particulars of issued share capital**	**Percentage of interest held**
Interest held indirectly:				
鳳凰雲科技(北京)有限公司 (Phoenix Cloud Technologies (Beijing) Company Limited*)	People's Republic of China, limited liability company	Sale and development of smart card application products in Mainland China	RMB 24,752,525	24.75%

*For identification purpose

8. Trade and other receivables

	At 30 June 2016 (Unaudited) HK$'000	At 31 December 2015 (Audited) HK$'000
Trade receivables	**12,149**	11,122
Prepayments, deposits and other receivables	**3,256**	4,257
	15,405	15,379

The majority of the Group's sales to customers are on open account basis, with credit terms ranging from 30 to 60 days.

The ageing of trade receivables based on invoice date is as follows:

	At 30 June 2016 (Unaudited) HK$'000	At 31 December 2015 (Audited) HK$'000
Within 30 days	**7,051**	6,988
31-60 days	**4,552**	4,114
61-90 days	**502**	14
Over 90 days	**44**	6
	12,149	11,122

9. Financial assets at fair value through profit or loss

	At 30 June 2016 (Unaudited) HK$'000	At 31 December 2015 (Audited) HK$'000
Equity securities listed on The Stock Exchange of Hong Kong Limited	**101,839**	121,639

The fair values of all listed equity securities are based on their current bid prices in an active market.

10. Trade and other payables

	At 30 June 2016 (Unaudited) HK$'000	At 31 December 2015 (Audited) HK$'000
Trade payables	**12,910**	10,792
Accruals	**12,057**	11,430
Other payables	**26,988**	2,610
	51,955	24,832

The ageing of trade payables based on invoice date is as follows:

	At 30 June 2016 (Unaudited) HK$'000	At 31 December 2015 (Audited) HK$'000
Within 30 days	**4,126**	5,707
31-60 days	**7,341**	4,497
61-90 days	**896**	130
Over 90 days	**547**	458
	12,910	10,792

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30 June 2016. The Audit Committee comprises three independent non-executive directors, namely Mr Yau Wing Yiu (*committee chairman*), Mr Liu Run and Ms Su Zhengyu.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2016.

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period under review.

In accordance with Code A.6.4 of the CG Code, the Board has also established a written guideline on terms no less exacting than the Model Code for employees of the Company or directors or employees of the Company's subsidiaries or holding company who are likely to possess inside information in relation to the Group or securities of the Company. No incident of non-compliance was noted by the Company during the period under review.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on HKExnews' website (www.hkexnews.hk) and the Company's website (www.carrywealth.com). The Interim Report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and available on the same websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of the Company comprises Messrs Li Haifeng (*Chairman*), Lee Sheng Kuang, James (*Managing Director*) and Tang Chak Lam, Charlie, being executive directors; and Mr Liu Run, Ms Su Zhengyu and Mr Yau Wing Yiu, being independent non-executive directors.

By order of the Board of
Carry Wealth Holdings Limited
Li Haifeng
Chairman

Hong Kong, 17 August 2016