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 2017

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 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Business Review

For the six months ended 30 June 2017, the Group's revenue amounted to HK$101.0 million (2016: HK$39.1 million) and gross profit was HK$24.4 million (2016: gross loss of HK$16.7 million). Loss attributable to owners was HK$0.2 million (2016: HK$39.4 million). The basic and diluted loss per share were both 0.02 HK cents (2016: 4.81 HK cents).

During the period under review, the US economy continued to grow at a steady rate albeit slowly. The unemployment rate there has reached the lowest level in sixteen years. At the same time, both the housing consumption and business investment were improving. In Mainland China, the issues of shadow banking, excessive leverage and industrial oversupply persisted. Shanghai, Mainland China's biggest commercial city, experienced the biggest half-year drop in overseas capital inflows since 2010. In an encouraging development in the Euro zone, the economic growth was higher than previously estimated. During the first half of 2017, the most impressive aspect of the recovery there was the broad-based growth among all countries in the region rather than just confined to Europe's biggest economy, Germany. Seizing the emerging business opportunities in the west, the Group's revenue from the garment manufacturing and trading business increased by 44.5% to HK$85.2 million (2016: HK$59.0 million) and the gross profit surged to HK$8.6 million (2016: HK$3.2 million).

Influenced by the supportive statements and measures of the new US administration, accommodative monetary policies of major central banks and abundant liquidity, major stock markets have rebounded and rose to multi-year highs during the first half of 2017. The Hong Kong Hang Seng Index closed at 25,465 points on 30 June 2017, a significant rebound by 22.5% compared to 30 June 2016. For the six months ended 30 June 2017, the Group's securities investment business recorded a positive revenue and gross profit of HK$15.8 million (2016: negative revenue and gross loss of HK$19.8 million).

During the period under review, as a result of the Group's streamline measures and economies of scale, the ratio of selling expenses to the garment manufacturing and trading revenue dropped to 1.7% (2016: 2.1%) while administrative expenses slightly increased to HK$22.3 million (2016: HK$21.2 million). The Group shared a loss of HK$0.8 million (2016: HK$0.3 million) for its investment in a joint venture which was engaged in the sale and development of smart card application products used for non-cash payments in Mainland China. The joint venture saw fierce competition and took longer-than-expected to develop the market.

Segment Analysis

a) Garment manufacturing and trading segment

In the US, both the consumer and business sentiments improved during the period under review. With solid signs of sustained economic growth in the US since the last quarter of 2016, the Group had adjusted its business strategy and actively sought to capture business opportunities there. Thanks to the efforts of our sales teams, the revenue from US customers increased by 97.6% to HK$50.0 million (2016: HK$25.3 million) and accounted for 58.6% (2016: 42.9%) of the segment revenue.

In Mainland China, the decelerating economic growth has affected garment consumption and triggered a dramatic change in the domestic apparel industry. Customers in Mainland China are highly price sensitive. With fierce competition among domestic players, the Group encountered challenges in negotiating reasonable prices to maintain its margins. Given the opportunities elsewhere, the Group has shifted to focus on overseas markets. During the period under review, there was no revenue generated from Mainland China customers (2016: HK$18.2 million).

In the Euro zone, the election results in the Dutch general election and French presidential election were both in line with market expectations, boosting market confidence and retail sales alike. As a result, revenue from European customers increased by HK$17.5 million to HK$27.0 million (2016: HK$9.5 million) and accounted for 31.7% (2016: 16.1%) of the segment revenue.

Thanks to its prompt response to the market situation, the Group's revenue from the garment manufacturing and trading segment for the six months ended 30 June 2017 increased by 44.5% to HK$85.2 million (2016: HK$59.0 million), and reduced the segment loss to HK$2.6 million (2016: HK$8.0 million).

b) Securities investment segment

The gradual pace of interest rate hikes and the moderate inflation in the US have created favourable conditions for global stock markets. During the first half of 2017, major stock markets rose to multi-year highs. The Hong Kong Hang Seng Index rose by 15.8% compared to 31 December 2016 and closed at 25,465 points on 30 June 2017. Valuations of Asian stock markets were relatively low in contrast with those of US stock markets. Capital has been flowing into Hong Kong and other Asian stock markets whenever there were adjustments in the US and European equity markets. The prices of stocks in Hong Kong rose significantly in the second quarter following the increase in southbound funds from investors in Mainland China as well as funds from overseas investors. As a result of the enhanced stock market conditions in Hong Kong, the Group realised gains in most of its stocks during the six months ended 30 June 2017. The Group's securities investment business recorded a fair value gain of HK$15.7 million (2016: fair value loss of HK$20.4 million) and the profit from this segment was HK$10.5 million (2016: loss of HK$24.1 million).

Details of the top five fair value (loss)/gains of listed equity securities for the six months ended 30 June 2017 are as follows:

Stock code	Listed company	Industry classification	Fair value (loss)/gains HK$'000	Dividends received HK$'000
00940	China Animal Healthcare Ltd.	Consumer goods-pharmaceuticals	(4,576)	–
00700	Tencent Holdings Limited	Information technology-e-commerce and internet services	3,633	19
01918	Sunac China Holdings Limited	Properties and construction-property development	3,607	–
00966	China Taiping Insurance Holdings Company Limited	Properties and construction-property development	2,396	–
00570	China Traditional Chinese Medicine Holdings Co. Limited	Consumer goods-pharmaceuticals	1,426	–
			6,486	19

As at 30 June 2017, the Group's financial assets at fair value through profit or loss amounted to HK$7.4 million (31 December 2016: HK$108.2 million) which comprised 2 (31 December 2016: 23) Hong Kong listed corporations. Details of the listed equity securities held by the Group as at 30 June 2017 are as follows:

Stock code	Listed company	Industry classification	Number of shares Thousands	Investment cost HK$'000	Market value HK$'000	Market value to the Group's total assets
00718	Tai United Holdings Limited	Materials – specialty chemicals	3,000	4,239	3,870	1.4%
01359	China Cinda Asset Management Co., Ltd.	Financials – investment and asset management	1,230	3,821	3,579	1.3%
				8,060	7,449	2.7%

In June 2017, in line with its business strategy to diversify from its traditional business, the Group entered into a share subscription agreement to subscribe for 6,480,000 new shares in United Security Solutions International Limited ("USS") for a consideration of US$6,480,000 (equivalent to HK$50,544,000) using internal resources generated from the Group's securities investment business. USS is a newly established global risk management company that delivers comprehensive, tailored and industry-leading risk management, advisory, crisis management and cyber security services to businesses, governments and organisations worldwide. Upon completion of the subscription subsequent to the balance sheet date, the Group now holds 41.81% equity interest in USS.

Liquidity and Financial Resources

Adhering to a conservative financial management methodology, the Group continued to maintain a healthy financial position. As at 30 June 2017, the Group's cash and bank deposits totalled HK$119.2 million (31 December 2016: HK$21.5 million). Working capital represented by net current assets amounted to HK$153.6 million (31 December 2016: HK$150.7 million). The Group's current ratio was 4.6 (31 December 2016: 5.6).

As at 30 June 2017 and 31 December 2016, the Group had no bank borrowings.

Capital Expenditure

For the period under review, the Group incurred a total capital expenditure of HK$0.2 million (2016: HK$3.7 million) for the additions of office equipment, plant and machinery.

Foreign Exchange Exposure

The Group's sales are principally transacted in US dollars. With a factory located in Mainland China and offices in Hong Kong and Mainland China, the operating expenses of the Group are primarily denominated in Hong Kong dollars and Renminbi with some expenses 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 of the US dollar exchange rates and, if necessary, will enter into forward exchange contracts to reduce currency 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 2017 and 31 December 2016, the Group had no charges on assets.

Contingent Liabilities

As at 30 June 2017 and 31 December 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 offers remuneration packages to employees in accordance with 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 2017, the Group had a total of 896 (31 December 2016: 875) 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 environmental, social and governance management team is assigned 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 2017. The Group understands a better future depends on everyone's participation and contribution in efforts to improve society. Towards that end 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 over the long term.

Outlook

The global economy in the second half of the year has started on a solid footing and steady growth is expected to continue in the latter part of 2017. For this recovery trend to be maintained requires policymakers to avoid protectionist measures as well as ensuring that gains from the recovery are shared more widely across the economy.

Given the encouraging business conditions in overseas markets, the Group is continuing to concentrate on the US and Europe markets for its garment manufacturing and trading business. In the US, economic activity has been moderately rising. Both the inflation and unemployment rates are anticipated to further improve and fall within a reasonable range. Coupled with the modest gradual interest rate hikes, a stable platform has been created to maintain the continued strengthening of the growth engine in the year ahead.

In the Euro zone, the social discontent has not propelled the populist wave into the heart of Europe nor ushered far-right, anti-euro leaders to power. The economy in the first half of 2017 has started to grow steadily. Experts believe as the economy is improving, the approval ratings of the populist leaders are fading. The economic picture for the Euro zone is looking increasingly brighter than before.

As for the Hong Kong stock market, its valuation has reached its historical high. The risk of a possible market correction has grown amidst higher valuations and the hikes in interest rates in the US. Meanwhile, geopolitical tensions in North Korea, anti-globalisation initiatives from the US government and a slowdown in economic growth in Mainland China also add to the potential for stock market volatility. During the first half of 2017, the Group disposed of most of its listed stocks to secure the gains and provide it with financial resources, when opportunities arise, for investment in business with more prolonged and stable returns.

As always, the Group has resolved to seek opportunities to broaden its income sources. The subscription of new shares in USS enables the Group to take up a substantial interest in a rapidly growing company within a fast developing industry. In the currently challenging and high-risk business environment, businesses are beginning to recognise the importance of security and risk management, and the security industry is expected to experience rapid growth in the coming years.

Looking ahead, we will continue to execute the established business strategies while at the same time explore diversification into other potentially lucrative areas. To this end, the Group strives 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 2017 (2016: nil).

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2017	2016
		(Unaudited)	(Unaudited)
	Note	**HK$'000**	HK$'000
Revenue	3	**101,010**	39,137
Cost of sales		**(76,659)**	(55,826)
Gross profit/(loss)		**24,351**	(16,689)
Selling expenses		**(1,469)**	(1,223)
Administrative expenses		**(22,283)**	(21,179)
Operating profit /(loss)	4	**599**	(39,091)
Finance income		**25**	56
Share of results of a joint venture	7	**(776)**	(347)
Loss before income tax		**(152)**	(39,382)
Income tax expense	5	**-**	-
Loss for the period attributable to owners of the Company		**(152)**	(39,382)
Loss per share attributable to the owners of the Company for the period			
- basic (HK cents)	6	**(0.02)**	(4.81)
- diluted (HK cents)	6	**(0.02)**	(4.81)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loss for the period	**(152)**	(39,382)
Other comprehensive loss:		
Item that may be reclassified to profit or loss		
Currency translation differences	**(97)**	(2,069)
Total comprehensive loss for the period attributable to owners of the Company	**(249)**	(41,451)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	At 30 June 2017 (Unaudited) HK$'000	At 31 December 2016 (Audited) HK$'000
ASSETS			
Non-current assets			
Properties, plant and equipment		**48,100**	50,263
Investment in a joint venture	7	**20,202**	20,978
Land use rights		**12,691**	12,849
Deposits		**655**	655
		81,648	84,745
Current assets			
Inventories		**35,770**	25,127
Trade and other receivables	8	**33,384**	28,657
Financial assets at fair value through profit or loss	9	**7,449**	108,242
Cash and cash equivalents		**119,213**	21,534
		195,816	183,560
Total assets		**277,464**	268,305
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**81,804**	81,804
Other reserves		**203,088**	203,185
Accumulated losses		**(56,948)**	(56,796)
Total equity		**227,944**	228,193

	Note	At 30 June 2017 (Unaudited) HK$'000	At 31 December 2016 (Audited) HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**7,294**	7,294
Current liabilities			
Trade and other payables	10	**42,226**	29,450
Income tax payable		**-**	3,368
		42,226	32,818
Total liabilities		**49,520**	40,112
Total equity and liabilities		**277,464**	268,305

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 2017 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 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2016, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2017.

(a) Amendments to standards adopted by the Group

The following amendments to standards are mandatory for accounting periods beginning on or after 1 January 2017. The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

HKAS 7 (Amendment)	Statement of Cash Flow
HKAS 12 (Amendment)	Income Taxes
HKFRS 12 (Amendment)	Disclosure of Interest in Other Entities

(b) New standards and amendments to standards and interpretations issued but not yet effective for the financial year beginning 1 January 2017 and have not been early adopted by the Group

		Effective for accounting periods beginning on or after	Note
HKAS 28 (Amendment)	Investments in Associates and Joint Ventures	1 January 2018	
HKFRS 1 (Amendment)	First Time Adoption of HKFRSs	1 January 2018	
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018	
HKFRS 4 (Amendment)	Insurance Contracts Applying HKFRS 9 Financial Instrument with HKFRS 4 Insurance Contracts	1 January 2018	
HKFRS 9	Financial Instruments	1 January 2018	(i)
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture	To be determined	
HKFRS 15	Revenue from Contracts with Customers	1 January 2018	(ii)
HKFRS 16	Leases	1 January 2019	(iii)
HK(IFRIC) 22	Foreign Currency Transactions and Advanced Consideration	1 January 2018	

(i) HKFRS 9 "Financial Instruments"

HKFRS 9 "Financial Instruments" addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group has designed not to adopt HKFRS 9 until it becomes mandatory on 1 January 2018.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets for the following reason:

- Equity investments currently measured at fair value through profit or loss will likely continue to be measured on the same basis under HKFRS 9.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. However, at this stage the Group does not expect to identify any hedge relationships. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. The Group does not expect a significant impact.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosure about its financial instruments particularly in the year of adoption of the new standard.

(ii) HKFRS 15 "Revenue from Contracts with Customers"

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts.

HKFRS 15 "Revenue from Contracts with Customers" establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach : (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract (3) Determine the transaction price (4) Allocate transaction price to performance obligations and (5) recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an 'earnings processes to an 'asset-liability' approach based on transfer of control.

HKFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for first interim periods within annual periods beginning on or after 1 January 2018. The Group will adopt the new standard from 1 January 2018.

The Group does not expect a significant impact on the adoption of the new standard.

(iii) HKFRS 16 "Leases"

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$4,054,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payment and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

3. Revenue and segment information

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 ("segment results"). Segment results include 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	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Garment manufacturing and trading:		
Sale of garment products	**85,236**	53,540
Processing income	**-**	5,443
	85,236	58,983
Securities investment:		
Fair value gain /(loss) on financial assets at fair value through profit or loss	**15,736**	(20,387)
Dividend income from listed equity securities	**38**	541
	15,774	(19,846)
	101,010	39,137

The unaudited segment results for the period ended 30 June 2017 by business segment is as follows:

	Garment manufacturing and trading segment HK$'000	**Securities investment segment HK$'000**	**Total HK$'000**
Revenue	**85,236**	**15,774**	**101,010**
Reportable segment results	**(2,640)**	**10,513**	**7,873**
Corporate administrative expenses			**(7,274)**
Operating profit			**599**
Finance income			**25**
Share of results of a joint venture			**(776)**
Loss before income tax			**(152)**
Income tax expense			**-**
Loss for the period			**(152)**

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 results of a joint venture			(347)
Loss before income tax			(39,382)
Income tax expense			-
Loss for the period			(39,382)

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
	2017 (Unaudited) HK$'000	2016 (Unaudited) HK$'000	**2017 (Unaudited) HK$'000**	2016 (Audited) HK$'000
United States of America	**49,984**	25,301	**-**	-
Mainland China	**-**	18,201	**78,830**	80,412
Europe	**26,985**	9,484	**-**	-
Hong Kong	**18,270**	(18,120)	**2,818**	4,333
Rest of the World	**5,771**	4,271	**-**	-
	101,010	39,137	**81,648**	84,745

4. Operating profit/(loss)

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

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Amortisation of land use rights	**158**	171
Depreciation of property, plant and equipment	**2,262**	2,429

5. Income tax expense

No provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits for each of the six months ended 30 June 2017 and 30 June 2016.

6. Loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period. As the Company does not have dilutive potential ordinary shares for the periods ended 30 June 2017 and 30 June 2016, the diluted loss per share equals to the basic loss per share.

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loss attributable to owners of the Company	**(152)**	(39,382)
Weighted average number of ordinary shares in issue (thousands)	**818,042**	818,042
Basic and diluted loss per share (HK cents per share)	**(0.02)**	(4.81)

7. Investment in a joint venture

	At 30 June 2017 (Unaudited) HK$'000	At 31 December 2016 (Audited) HK$'000
At 1 January	**20,978**	-
Addition	**-**	25,581
Share of loss	**(776)**	(3,628)
Currency translation difference	**-**	(975)
	20,202	20,978

Details of the Group's joint venture as at 30 June 2017 are as follows:

Company name	Place of business/country of incorporation	Principal activities	% of ownership interest	Measurement method
Shares held indirectly:				
鳳凰雲（北京）科技股份有限公司 (Phoenix Cloud (Beijing) Technologies Company Limited*)	People's Republic of China, limited liability by share company	Sale and development of smart card application products in Mainland China	24.75%	Equity

*For identification purpose

8. Trade and other receivables

	At 30 June 2017 (Unaudited) HK$'000	At 31 December 2016 (Audited) HK$'000
Trade receivables	**26,227**	22,664
Prepayments, deposits and other receivables	**7,812**	6,648
	34,039	29,312
Less: deposits classified as non-current assets	**(655)**	(655)
	33,384	28,657

The majority of the Group's trade receivables are with credit terms ranging from 30 to 60 days.

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

	At 30 June 2017 (Unaudited) HK$'000	At 31 December 2016 (Audited) HK$'000
Within 30 days	**16,133**	21,428
31-60 days	**9,800**	1,214
61-90 days	**14**	22
Over 90 days	**280**	-
	26,227	22,664

9. Financial assets at fair value through profit or loss

	At 30 June 2017 (Unaudited) HK$'000	At 31 December 2016 (Audited) HK$'000
Equity securities listed on the Stock Exchange of Hong Kong Limited – held-for-trading	**7,449**	108,242

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 2017 (Unaudited) HK$'000	At 31 December 2016 (Audited) HK$'000
Trade payables	**29,002**	15,596
Accruals	**11,957**	11,033
Other payables	**1,267**	2,821
	42,226	29,450

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

	At 30 June 2017 (Unaudited) HK$'000	At 31 December 2016 (Audited) HK$'000
Within 30 days	**15,117**	5,560
31-60 days	**12,848**	9,784
61-90 days	**587**	233
Over 90 days	**450**	19
	29,002	15,596

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 2017. The Audit Committee comprises three independent non-executive directors, namely namely Mr Yau Wing Yiu (*committee chairman*), Mr Zhang Zhenyi and Ms Zheng Xianzhi.

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 2017 except for the following deviation.

According to CG Code's code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The segregation of responsibilities between chairman and chief executive should be clearly established and set out in writing.

Mr Li Haifeng has assumed both the roles of chairman and chief executive officer of the Company since 1 April 2017. The Board is of the view that the balance of power and authority is ensured by its operations which comprises experienced and high caliber individuals with a highly independent element. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Company to execute business strategies and decisions efficiently.

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 provision 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 Mr Li Haifeng (Chairman and Chief Executive Officer), Mr Tang Chak Lam, Charlie, being executive directors; Mr Lee Sheng Kuang, James, being non-executive director and Mr Yau Wing Yiu, Mr Zhang Zhenyi and Ms Zheng Xianzhi, being independent non-executive directors.

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

Hong Kong, 21 August 2017