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RUNWAY GLOBAL HOLDINGS COMPANY LIMITED
時尚環球控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1520)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHT

- Revenue for the six months ended 30 June 2017 was approximately HK$85,426,000 (2016: HK$63,779,000), representing an increase of approximately 33.9% in comparison to the corresponding period in 2016.

- Gross profit for the six months ended 30 June 2017 was approximately HK$25,573,000 (2016: HK$12,073,000), representing an increase of approximately HK$13,500,000 or 111.8% as compared to the corresponding period in 2016. The gross profit margin for the six months ended 30 June 2017 was approximately 29.9% (2016: 18.9%).

- Loss attributable to the owners of the Company for six months ended 30 June 2017 was approximately HK$10,502,000 (2016: HK$16,984,000), decreased by approximately HK$6,482,000 or 38.2%.

- Loss per share of the Company for the six months ended 30 June 2017 was approximately HK$0.94 cents (2016: HK$2.83 cents).

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

SUMMARY

For the six months ended 30 June 2017:

- the Group's revenue increased from approximately HK$63,779,000 for the six months ended 30 June 2016 to approximately HK$85,426,000 for the six months ended 30 June 2017, representing an increase of approximately HK$21,647,000 or 33.9% in comparison to the corresponding period in 2016. The increase in revenue for the six months ended 30 June 2017 was mainly caused by (i) seasonal effects that more shipments were delivered to our customers in the reporting period for our apparel operation, representing an increase of approximately HK$15,561,000 or 24.4% in comparison to the corresponding period; and (ii) approximately HK$6,086,000 revenue generated from our money lending operation which was acquired in November 2016;

- gross profit for the six months ended 30 June 2017 was approximately HK$25,573,000 (2016: HK$12,073,000), representing an increase of approximately HK$13,500,000 or 111.8% as compared to the corresponding period in 2016. The gross profit margin for the six months ended 30 June 2017 was approximately 29.9% (2016: 18.9%). The increase in gross profit for the six months ended 30 June 2017 was mainly attributable to (i) higher gross profit earned from our apparel operation for the reporting period, representing an increase of approximately HK$7,414,000 or 61.4% in comparison to the corresponding period. The gross profit margin of our apparel operation for the six months ended 30 June 2017 was approximately 24.6% (2016: 18.9%); and (ii) approximately HK$6,086,000 gross profit generated from our money lending operation;

- the loss for the period attributable to the owners of the Company was approximately HK$10,502,000 (2016: HK$16,984,000), decreased by approximately HK$6,482,000 or 38.2%. The decrease in the loss attributable to the owners of the Company for the six months ended 30 June 2017 was primarily attributable to more revenue was generated in comparison to the corresponding period in 2016;

- the Group's inventories were increased by approximately 227.1%, from approximately HK$16,926,000 as at 31 December 2016 to approximately HK$55,363,000 as at 30 June 2017. The increase in inventories was primarily because (i) starting from second quarter of each year, the Group's customers generally start placing orders with the Group for the peak seasons' winter clothing; and (ii) for the production of such peak season orders, the Group generally needs to purchase more new raw materials, resulting in significant amount of raw materials inventory as at 30 June 2017 compared to 31 December 2016;

- the Board of Directors of the Company (the "Board") does not recommend the payment of any interim dividend.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		For the six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**85,426**	63,779
Cost of sales		**(59,853)**	(51,706)
Gross profit		**25,573**	12,073
Other income and gains	*5*	**3,087**	58
Selling and distribution expenses		**(11,273)**	(10,964)
Administrative expenses		**(28,277)**	(21,565)
Finance costs		**(516)**	(42)
Loss before income tax	*6*	**(11,406)**	(20,440)
Income tax credit	*7*	**904**	3,456
Loss for the period attributable to the owners of the Company		**(10,502)**	(16,984)
Other comprehensive income, net of tax attributable to the owners of the Company			
Item that may be reclassified subsequently to profit or loss:			
Exchange gain/(loss) on translation of financial statements of foreign operations		**303**	(1,022)
Total comprehensive income for the period attributable to the owners of the Company		**(10,199)**	(18,006)
Loss per share attributable to the owners of the Company			
Basic and diluted loss per share (HK cents)	*9*	**(0.94)**	(2.83)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	Unaudited As at 30 June 2017 HK$'000	Audited As at 31 December 2016 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*10*	**17,770**	12,591
Payments for leasehold land held for own use under operating leases		**1,734**	1,738
Goodwill		**87,656**	87,656
Intangible assets		**800**	800
Deferred tax assets		**2,407**	742
		110,367	103,527
Current assets			
Inventories	*11*	**55,363**	16,926
Trade and bill receivables	*12*	**33,043**	63,485
Loans and interest receivables	*13*	**91,303**	80,465
Deposits, prepayments and other receivables		**40,194**	22,803
Financial assets at fair value through profit or loss		–	42,000
Tax recoverable		**2,337**	1,729
Pledged bank deposits		**4,540**	7,761
Cash and bank balances		**201,990**	59,188
		428,770	294,357
Current liabilities			
Trade and bill payables	*14*	**50,680**	49,644
Accruals, other payables and receipts in advance		**34,579**	26,656
Interest-bearing borrowings	*15*	**2,704**	54,410
Provision for taxation		**811**	1,566
		88,774	132,276
Net current assets		**339,996**	162,081
Total assets less current liabilities		**450,363**	265,608

	Notes	Unaudited As at 30 June 2017 *HK$'000*	Audited As at 31 December 2016 *HK$'000*
Non-current liabilities			
Interest-bearing borrowings	*15*	**251**	383
Deferred tax liabilities		**–**	1,073
		251	1,456
Net assets		**450,112**	264,152
EQUITY			
Equity attributable to the owners of the Company			
Share capital	*16*	**16,900**	8,300
Reserves		**433,212**	255,852
Total equity		**450,112**	264,152

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Share capital *HK$'000*	Share premium *HK$'000*	Merger reserve *HK$'000*	Statutory reserve *HK$'000*	Translation reserve *HK$'000*	Retained earnings *HK$'000*	Total *HK$'000*
At 1 January 2017	8,300	188,404	2,988	2,982	419	61,059	264,152
Loss for the period	–	–	–	–	–	(10,502)	(10,502)
Other comprehensive income							
– Exchange gain on translation of financial statements of foreign operations	–	–	–	–	303	–	303
Total comprehensive income for the period	–	–	–	–	303	(10,502)	(10,199)
Issuance of shares pursuant to the subscription of shares	8,600	187,559	–	–	–	–	196,159
At 30 June 2017	16,900	375,963	2,988	2,982	722	50,557	450,112
At 1 January 2016	6,000	40,690	2,988	2,793	3,269	80,017	135,757
Loss for the period	–	–	–	–	–	(16,984)	(16,984)
Other comprehensive income							
– Exchange loss on translation of financial statements of foreign operations	–	–	–	–	(1,022)	–	(1,022)
Total comprehensive income for the period	–	–	–	–	(1,022)	(16,984)	(18,006)
At 30 June 2016	6,000	40,690	2,988	2,793	2,247	63,033	117,751

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2017

	For the six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Net cash generated from/(used in) operating activities	**2,195**	(10,739)
Net cash used in investing activities	**(2,344)**	(30)
Net cash generated from financing activities	**175,292**	17,252
Net increase in cash and cash equivalents	**175,143**	6,483
Cash and cash equivalents at beginning of the period		
Cash and bank balances	**59,188**	53,837
Bank overdrafts	**(32,044)**	–
Effect of foreign exchange rates, net	**(297)**	(803)
Cash and cash equivalents at end of the period	**201,990**	59,517

NOTES

For the six months ended 30 June 2017

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 19 June 2013. The registered office of the Company is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's shares were listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of placing on 3 December 2013 and the listing of its shares was transferred from GEM to the Main Board of the Stock Exchange on 1 June 2015.

The Company is an investment holding company and its subsidiaries (together the "Group") are principally engaged in design, manufacturing and trading of apparels and provision of money lending services. There were no significant changes in the Group's business operation during the period.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective terms include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unaudited condensed consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinances and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The accounting policies used in the preparation of the unaudited consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2016 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning on 1 January 2017. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

The financial statements are presented in Hong Kong dollar ("HK$") which is also the functional currency of the Company. All values are rounded to the nearest thousand unless otherwise indicated.

3. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. During the reporting period, the Company has identified design, manufacture and trading of apparels and provision for money lending services as the reportable operating segments.

Each of these operating segments is managed separately as each of them requires different business strategies.

The segment information provided to the executive directors for the reportable segments during the reporting period is as follows:

Six months ended 30 June 2017 (Unaudited)	**Design, manufacture and trading of apparels** *HK$'000*	**Money lending services** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**79,340**	**6,086**	**85,426**
Segment (loss)/profit	**(10,347)**	**5,349**	**(4,998)**
Reconciliation			
Bank interest income			**74**
Unallocated corporate expenses			**(5,966)**
Finance costs			**(516)**
Loss before tax			**(11,406)**
As at 30 June 2017 (Unaudited)			
Segment assets	**167,872**	**224,023**	**391,895**
Other corporate assets			**147,242**
Total assets			**539,137**
Segment liabilities	**79,500**	**2,401**	**81,901**
Other corporate liabilities			**7,124**
Total liabilities			**89,025**
Other segment information			
Six months ended 30 June 2017 (Unaudited)			
Depreciation and amortisation	**1,118**	**–**	**1,118**
Capital expenditure	**98**	**–**	**98**

Six months ended 30 June 2016 (Unaudited)	Design, manufacture and trading of apparels *HK$'000*	Money lending services *HK$'000*	Total *HK$'000*
Revenue from external customers	63,779	–	63,779
Segment loss	(19,335)	–	(19,335)
Reconciliation			
Bank interest income			58
Unallocated corporate expenses			(1,121)
Finance costs			(42)
Loss before tax			(20,440)
As at 31 December 2016 (Audited)			
Segment assets	176,458	218,011	394,469
Other corporate assets			3,415
Total assets			397,884
Segment liabilities	77,754	55,521	133,275
Other corporate liabilities			457
Total liabilities			133,732
Other segment information			
Six months ended 30 June 2016 (Unaudited)			
Depreciation and amortisation	(1,160)	–	(1,160)
Capital expenditure	(1,580)	–	(1,580)

The Company is an investment holding company and the principal places of the Group's operations are in the People's Republic of China ("PRC") and Hong Kong. Management determines that the Group is domiciled in Hong Kong, which is the Group's principal operating location.

The Group's revenue from external customers is divided into the following geographical areas:

	Unaudited For the six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
United States	**52,289**	47,692
Canada	**25,645**	15,635
Others	**7,492**	452
	85,426	63,779

Geographical location of external customers is based on the location at which the customers are domiciled.

The Group's customer base is diversified and includes only the following customers with whom transactions have exceeded 10% of the Group's revenue. During the reporting period, revenue derived from these customers are as follows:

	Unaudited For the six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Customer A	**25,645**	16,092
Customer B	**15,136**	11,385
Customer C	**11,265**	9,293
Customer D	**N/A***	9,491
Customer E	**N/A***	7,742

* Accounted for less than 10% of the Group's Revenue

4. REVENUE

Revenue represents the interest income from loan receivables, sales of apparels, net of returns, discounts, rebates and sales related taxes, during the period.

5. OTHER INCOME AND GAINS

	Unaudited For the six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Gain on disposal of financial assets at fair value through profit or loss	**2,320**	–
Interest income	**74**	58
Others	**693**	–
	3,087	58

6. LOSS BEFORE TAX

Loss before income tax is arrived at after charging:

	Unaudited For the six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Amortisation of payments for leasehold land held for own use under operating leases	**27**	27
Auditor's remuneration		
– audit service	**–**	–
– non-audit services	**62**	–
Cost of inventories recognised as expense	**59,853**	51,706
Depreciation of property, plant and equipment	**1,091**	1,133
Losses on exchange differences, net	**345**	163
Operating lease charges in respect of land and buildings	**2,877**	1,814
Employee benefit expenses (including directors' emoluments)	**27,136**	27,908

7. INCOME TAX CREDIT

	Unaudited For the six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Current income tax charged for the period:		
Hong Kong profits tax	**803**	–
PRC enterprise income tax ("EIT")	**(42)**	(34)
United States Federal corporate income tax	**–**	12
	761	(22)
Deferred tax credited for the period:	**(1,665)**	(3,434)
	(904)	(3,456)

(i) British Virgin Islands ("BVI") and the Cayman Islands income tax

Pursuant to the rules and regulations of the BVI and the Cayman Islands, the Group is not subject to any taxation under these jurisdictions during the six months ended 30 June 2017 (2016: nil).

(ii) Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong for the period.

(iii) PRC EIT

PRC EIT is provided at 25% (2016: 25%) on the estimated assessable profits for the period for a subsidiary in the PRC.

(iv) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the new Enterprise Income Tax Law issued on 6 December 2007, a 10% withholding income tax is levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends deriving from the profits generated by the PRC companies after 1 January 2008 are subject to this withholding income tax. The withholding income tax rate applicable to the Group is 5% (six months ended 30 June 2016: 5%).

(v) United States Federal corporate income tax

United States Federal corporate income tax is calculated at 15% (2016: 15%) for the period on the estimated assessable profits for a subsidiary incorporated in the United Stated of America.

8. DIVIDENDS

No dividend was paid or proposed to the owners of the Company during the six months ended 30 June 2017 (2016: nil), nor has any dividend been proposed since the end of reporting period and up to the date of this announcement.

9. LOSS PER SHARE

The calculations of basic loss per share are based on the loss attributable to the owners of the Company for the six months ended 30 June 2017 of approximately HK$10,502,000 (2016: HK$16,984,000) and on the weighted average of 1,115,082,873 ordinary shares issued throughout the six months ended 30 June 2017 (2016: 600,000,000 shares)

Diluted loss per share was the same as the basic loss per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2017 and the six months ended 30 June 2016.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017 under review, the Group's capital expenditures were approximately HK$5,639,000 (2016: HK$1,580,000) which represented acquisition of property, plant and equipment.

11. INVENTORIES

	Unaudited As at 30 June 2017 ***HK$'000***	Audited As at 31 December 2016 *HK$'000*
Raw materials and consumables	**27,731**	4,633
Work in progress	**5,757**	1,476
Finished goods	**21,875**	10,817
	55,363	16,926

12. TRADE AND BILL RECEIVABLES

	Unaudited As at 30 June 2017 ***HK$'000***	Audited As at 31 December 2016 *HK$'000*
Trade receivables	**28,867**	60,979
Less: provision for impairment loss	**–**	(777)
	28,867	60,202
Bill receivables	**4,176**	3,283
	33,043	63,485

Trade receivables are recognised at their original invoice amounts which represented their fair values at initial recognition. The Group's trade receivables are attributable to a number of independent customers with credit terms. Bill receivables are received from independent customers under the ordinary course of business. The Group normally allows a credit period of 10 to 100 days (2016: 10 to 60 days) to its customers.

Trade and bill receivables are non-interest bearing. The directors of the Company consider that the fair values of trade and bill receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods at their inception.

Ageing analysis of trade receivables based on invoice date is as follows:

	Unaudited As at 30 June 2017 *HK$'000*	Audited As at 31 December 2016 *HK$'000*
0 to 30 days	**13,911**	24,670
31 to 60 days	**8,853**	10,569
61 to 90 days	**1,686**	19,561
91 to 180 days	**1,704**	4,390
Over 180 days	**2,713**	1,012
	28,867	60,202

13. LOAN AND INTEREST RECEIVABLES

	Unaudited As at 30 June 2017 *HK$'000*	Audited As at 31 December 2016 *HK$'000*
Loan receivables	**90,251**	79,760
Interest receivables	**1,052**	705
	91,303	80,465

The Group's loans and interest receivables, which arise from the money lending business of providing corporate loans, personal loans and property mortgage loans in Hong Kong, are denominated in Hong Kong dollars.

14. TRADE AND BILL PAYABLES

	Unaudited As at 30 June 2017 *HK$'000*	Audited As at 31 December 2016 *HK$'000*
Trade payables	**49,543**	37,753
Bill payables	**1,137**	11,891
	50,680	49,644

Credit periods of trade payables normally granted by its suppliers were ranging from 15 to 120 days (2016: from 15 to 120 days).

Ageing analysis of trade payables based on invoice date is as follows:

	Unaudited As at 30 June 2017 *HK$'000*	Audited As at 31 December 2016 *HK$'000*
0 to 30 days	**32,839**	16,834
31 to 60 days	**10,224**	3,558
61 to 90 days	**2,959**	10,822
91 to 180 days	**1,494**	3,112
Over 180 days	**2,027**	3,427
	49,543	37,753

Bill payables are normally settled on 180 days (2016: 180 days) credit terms.

15. INTEREST-BEARING BORROWINGS

	Unaudited As at 30 June 2017 *HK$'000*	Audited As at 31 December 2016 *HK$'000*
Current portion:		
Bank overdraft, secured	**–**	32,044
Margin loan payable, secured	**–**	22,112
Bank loans	**2,444**	–
Obligations under finance leases	**260**	254
	2,704	54,410
Non-current portion:		
Obligations under finance leases	**251**	383
	2,955	54,793

Total current and non-current interest-bearing borrowings were scheduled to repay as follows:

	Unaudited As at 30 June 2017 *HK$'000*	Audited As at 31 December 2016 *HK$'000*
Within one year	**2,704**	54,410
More than one year, but not exceeding two years	**251**	268
More than two years, but not exceeding five years	**–**	115
	2,955	54,793

16. SHARE CAPITAL

	Number of ordinary shares	*HK$'000*
Authorised:		
Ordinary shares at HK$0.01 each, at 31 December 2016 and 30 June	**10,000,000,000**	100,000
Issued and fully paid:		
Ordinary shares at HK$0.01 each, at 31 December 2016	**830,000,000**	8,300
Issuance of shares	**860,000,000**	8,600
Ordinary shares at HK$0.01 each, at 30 June 2017	**1,690,000,000**	16,900

On 26 January 2017, the Company entered into the Subscription Agreement with New Seres CEFC Investment Fund LP pursuant to which and subject to the conditions precedent thereunder, the Company has agreed to allot and issue to the Subscriber an aggregate of 860,000,000 Shares at a total consideration of HK$204,680,000 at the subscription price of HK$0.238 per share (the "Subscription"). The Subscription was completed on 2 May 2017.

17. RELATED PARTY TRANSACTION

The Group entered into the following significant related party transactions during the period.

Key management personnel remuneration

	Unaudited For the six months ended 30 June	
	2017 *HK$'000*	2016 *HK$'000*
Directors' emoluments	**2,520**	2,820

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in design, manufacture and trading of apparels and money lending business.

APPAREL OPERATION

Revenue from apparel operation is principally derived from the sales of apparel products. The Group's products can be classified into two categories, namely, private label products and own brand products. Private label products are those designed and manufactured under the private labels owned or specified by the Group's customers, while own brand products are those designed and manufactured under the Group's proprietary labels.

Revenue from apparel operation increased from approximately HK$63,779,000 for the six months ended 30 June 2016 to approximately HK$79,340,000 for the six months ended 30 June 2017, representing an increase of approximately HK$15,561,000 or 24.4% in comparison to the corresponding period in 2016. The increase in revenue for the six months ended 30 June 2017 was mainly caused by seasonal effects that more shipments were delivered to our customers in the reporting period.

MONEY LENDING OPERATION

Our money lending operation, which was acquired in November 2016, focuses on corporate loans, personal loans and property mortgage loans. The primary source of revenue was generated from interest received from loans provided to customers. Revenue from money lending operation was approximately HK$6,086,000 for the reporting period.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit for the six months ended 30 June 2017 was approximately HK$25,573,000 (2016: HK$12,073,000), representing an increase of approximately HK$13,500,000 or 111.8% as compared to the corresponding period in 2016. The gross profit margin for the six months ended 30 June 2017 was approximately 29.9% (2016: 18.9%). The increase in gross profit for the six months ended 30 June 2017 was mainly attributable to (i) higher gross profit earned from our apparel operation for the reporting period, representing an increase of approximately HK$7,414,000 or 61.4% in comparison to the corresponding period. The gross profit margin of our apparel operation for the six months ended 30 June 2017 was approximately 24.6% (2016: 18.9%); (ii) approximately HK$6,086,000 gross profit generated from our money lending operation.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses mainly consist of (i) import duty; (ii) transportation costs for delivery of the products; and (iii) rental costs of our showroom and staff cost for our sales representatives. The selling and distribution expenses incurred in the reporting period were approximately HK$11,273,000 (2016: HK$10,964,000), slightly increased by approximately 2.8% or HK$309,000.

ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of (i) staff costs; (ii) professional fee; (iii) rental expenses; and (iv) depreciation of property, plant and equipment. The administrative expenses for the six months ended 30 June 2017 were approximately HK$28,277,000 (2016: 21,565,000), increased by approximately 31.1% or HK$6,712,000. The increase in administrative expenses was mainly attributable to the increase in professional fees and staff costs during the period.

LOSS FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The loss for the period attributable to the owners of the Company was approximately HK$10,502,000 (2016: HK$16,984,000), decreased by approximately HK$6,482,000 or 38.2%. The decrease in the loss attributable to the owners of the Company for the six months ended 30 June 2017 was primarily attributable to more revenue was generated for the reporting period in comparison to the corresponding period in 2016.

LIQUIDITY AND FINANCIAL RESOURCES

During the reporting period, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 30 June 2017, pledged bank deposits and cash and bank balances amounted to approximately HK$206,530,000 (31 December 2016: HK$66,949,000). Total interest-bearing borrowings of the Group as at 30 June 2017 were approximately HK$2,955,000 (31 December 2016: HK$54,793,000), of which approximately HK$2,704,000 (31 December 2016: HK$54,410,000) would be repayable within one year and all the remaining interest-bearing borrowings of approximately HK$251,000 (31 December 2016: HK$383,000) would be repayable after one year. The current ratio of the Group was approximately 4.83 (31 December 2016: 2.22).

CONTINGENT LIABILITIES

As at 30 June 2017, the Group did not have any material contingent liability (31 December 2016: nil).

GEARING RATIO

The gearing ratio of the Group, calculated as total borrowings over total equity, was approximately 0.7% as at 30 June 2017 (31 December 2016: 20.7%).

TREASURY POLICY

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

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and affiliated companies during the six months ended 30 June 2017.

FOREIGN EXCHANGE EXPOSURE

The Group derives the majority of its revenue in US$ while substantial portion of our costs are denominated in Renminbi ("RMB"). Appreciation of RMB against US$ will therefore directly decrease the profit margin of the Group if the Group is unable to increase the selling prices of its products accordingly. If the Group increases the selling prices of its products as a result of the appreciation of RMB, it may in turn affect the Group's competitiveness against other competitors. To the extent that the Company needs to convert future financing into RMB for the Group's operations, appreciation of the RMB against the relevant foreign currencies would have an adverse effect on the purchasing power of the RMB amount that the Company would receive from the conversion.

The exchange rates between RMB and US$ are subject to changes of the PRC Government's policies and international political and economic conditions.

THE SUBSCRIPTION AND THE UNCONDITIONAL MANDATORY CASH OFFER

On 26 January 2017, the Company entered into the Subscription Agreement with New Seres CEFC Investment Fund LP (the "Subscriber") pursuant to which and subject to the conditions precedent thereunder, the Company has agreed to allot and issue to the Subscriber an aggregate of 860,000,000 Shares at a total consideration of HK$204,680,000 at the subscription price of HK$0.238 per share (the "Subscription").

The Subscription was completed on 2 May 2017.

On 9 May 2017, in accordance with the Rule 26.1 of the Code on Takeovers and Mergers (the "Takeovers Code"), the Subscriber made an unconditional mandatory cash offer for all issued shares (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) at HK$0.745 in cash per share after the completion of the Subscription (the "Mandatory Cash Offer").

The Mandatory Cash Offer was closed on 31 May 2017 and the Subscriber received valid acceptances in respect of 120,000 offer shares under the Mandatory Cash Offer, representing approximately 0.007% of the entire issued share capital of the Company as at the time of the close of Mandatory Cash Offer.

CAPITAL COMMITMENTS

As at 30 June 2017, the Group did not have any significant capital commitment (31 December 2016: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2017, the Group had a total of 420 employees (31 December 2016: 410 employees). Total staff costs (including Directors' emoluments) were approximately HK$27,136,000, as compared to approximately HK$27,908,000 for the six months ended 30 June 2016. Remuneration is determined with reference to market norms as well as individual employees' performance, qualification and experience.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 25 January 2017, the Group entered into a sale and purchase agreement with a vendor in relation to the acquisition of the entire share capital of Prior Securities Limited ("Prior Securities") and Prior Asset Management Limited ("Prior Asset"). Prior Securities is licensed to carry out type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance ("SFO"). Prior Asset is licensed to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

As at the date of this announcement, the acquisition of Prior Securities and Prior Asset have not yet been completed. Approximately HK$26,900,000 are outstanding for the settlement of the outstanding consideration for the acquisition of Prior Securities and Prior Asset. Depending on the then market environment and the business performance of Prior Securities and Prior Asset, further capital needs may be required in the future for the operation of the financial services business. As at the date of this announcement, save for disclosed herein, the Company has no further plans for future fund raising for the financial services business of the Group. Following the completion of the above acquisition, Prior Securities and Prior Asset will formulate their marketing strategy to retain and deal with potential and existing clients.

INTERIM DIVIDEND

The Board did not recommend any payment of an interim dividend for the six month ended 30 June 2017.

OTHER INFORMATION

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

As of 30 June 2017, the interests and short positions of the directors and chief executive of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited were as follows:

Long positions in Shares of the Company

Name	Capacity/nature of interest	Number of ordinary shares held	Approximate percentage of interests
Mr. Guo Lin	Interest in controlled corporation *(Note 1)*	860,120,000	50.89%
Mr. Hubert Tien	Interest in controlled corporation *(Note 2)*	9,000,000	0.53%
Mr. Tang Shu Pui Simon	Beneficial owner	5,000,000	0.30%

Notes:

1. By virtue of the SFO, Mr. Guo Lin ("Mr. Guo") is deemed to be interested in 860,120,000 shares of the Company, representing approximately 50.89% of the total number of issued shares of the Company, which are held by New Seres CEFC Investment Fund LP, and its general partner is New Seres International Asset Management (Cayman) Limited, which in turn is owned as to 100% by New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司). New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司) is owned as to 40% by Mr. Guo.

2. These shares are held by All Divine Limited, which is wholly owned by Mr. Hubert Tien. By virtue of the SFO, Mr. Hubert Tien is deemed to be interested in the 9,000,000 shares under the SFO.

Save as disclosed above, as at 30 June 2017, none of the directors or chief executive of the Company have or are deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were notifiable 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 recorded in the register required to be maintained by the Company under Section 352 of Part XV of the SFO, or as otherwise notifiable to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2017, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director or the chief executive of the Company) which had 5% or more interests in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

Long positions in Shares of the Company

Name	Capacity/nature of interest	Number of ordinary shares held	Approximate percentage of interests
New Seres CEFC Investment Fund LP	Beneficial owner *(Note 1)*	860,120,000	50.89%
New Seres International Asset Management (Cayman) Limited	Interest in controlled corporation *(Note 2)*	860,120,000	50.89%
New Seres Investment Co., Ltd.*	Interest in controlled corporation *(Note 3)*	860,120,000	50.89%
CEFC Shanghai Financial Services Co., Ltd.*	Interest in controlled corporation *(Note 4)*	860,120,000	50.89%
Shanghai CEFC Financial Holding Co., Ltd.*	Interest in controlled corporation *(Note 5)*	860,120,000	50.89%
CEFC China Energy Company Limited*	Interest in controlled corporation *(Note 6)*	860,120,000	50.89%
CEFC China Energy Investment Fund Co., Ltd*	Interest in controlled corporation *(Note 7)*	860,120,000	50.89%
China CEFC International Equity Investment Co., Ltd.*	Interest in controlled corporation *(Note 8)*	860,120,000	50.89%
Shanghai Zhong'an United Investment Fund Co., Ltd.*	Interest in controlled corporation *(Note 9)*	860,120,000	50.89%
Wisely Inc Limited	Interest in controlled corporation *(Note 10)*	860,120,000	50.89%

Name	**Capacity/nature of interest**	**Number of ordinary shares held**	**Approximate percentage of interests**
Shanghai Huaxin Group (Hongkong) Limited	Interest in controlled corporation *(Note 11)*	860,120,000	50.89%
Shanghai CEFC International Group Co. Ltd.*	Interest in controlled corporation *(Note 12)*	860,120,000	50.89%
Su Weizhong	Interest in controlled corporation (Note 13)	860,120,000	50.89%
Yi Qianru	Interest in controlled corporation *(Note 14)*	860,120,000	50.89%
Li Yong	Interest in controlled corporation *(Note 15)*	860,120,000	50.89%
Feng Qiuling	Interest in controlled corporation *(Note 16)*	860,120,000	50.89%
Ms. Tin Yuen Sin Carol	Beneficial owner and interest in controlled corporation *(Note 17)*	114,362,000	6.77%
Favor Way Investments Limited	Beneficial owner *(Note 17)*	110,000,000	6.51%
Wong Tat Wai Derek	Beneficial owner	129,000,000	7.63%
Hua Zhen	Beneficial owner	87,000,000	5.15%

Note:

1. New Seres CEFC Investment Fund LP, is an exempted limited liability partnership registered in the Cayman Islands on 20 January 2017.

2. New Seres International Asset Management (Cayman) Limited is the general partner of New Seres CEFC Investment Fund LP, and which is owned as to 100% by New Seres Investment Co., Ltd*（新絲綢之路投資有限公司）.

3. New Seres Investment Co., Ltd*（新絲綢之路投資有限公司）is owned as to 50% by CEFC Shanghai Financial Services Co., Ltd*（上海華信金融服務有限公司）.

4. CEFC Shanghai Financial Services Co., Ltd*（上海華信金融服務有限公司）is owned as to 100% by Shanghai CEFC Financial Holdings Co., Ltd*（上海市華信金融控股有限公司）.

5. Shanghai CEFC Financial Holdings Co., Ltd*（上海市華信金融控股有限公司）is owned as to approximately 87.67% by CEFC China Energy Company Limited*（中國華信能源有限公司）, approximately 6.17% by Mr. Su Weizhong, approximately 4.93% by Mr. Zheng Xiongbin and approximately 1.23% by Shanghai Zhong'an United Investment Fund Co., Ltd.*（上海中安聯合投資基金股份有限公司）.

6. CEFC China Energy Company Limited*（中國華信能源有限公司）is owned as to 99.05% by CEFC China Energy Investment Fund Co., Ltd*（上海能源基金投資有限公司）.

7. CEFC China Energy Investment Fund Co., Ltd*（上海能源基金投資有限公司）is owned as to 100% by China CEFC International Equity Investment Co., Ltd.*（中國華信國際股權投資有限公司）.

8. China CEFC International Equity Investment Co., Ltd.*（中國華信國際股權投資有限公司）is owned as to 80% by Shanghai Zhong'an United Investment Fund Co., Ltd.*（上海中安聯合投資基金股份有限公司）.

9. The beneficial shareholders of Shanghai Zhong'an United Investment Fund Co., Ltd.*（上海中安聯合投資基金股份有限公司）are Mr. Su Weizhong (owned as to approximately 50%), Mr. Li Yong (owned as to approximately 49%) and Mr. Zheng Xiongbin (owned as to approximately 1%).

10. Wisely Inc Limited（永事利有限公司）is the limited partner of New Seres CEFC Investment Fund LP and is owned as to 100% by Shanghai Huaxin Group (Hongkong) Limited（上海華信集團(香港)有限公司）.

11. Shanghai Huaxin Group (Hongkong) Limited（上海華信集團(香港)有限公司）is owned as to 100% by Shanghai CEFC International Group Co. Ltd.*（上海華信國際集團有限公司）.

12. Shanghai CEFC International Group Co. Ltd.*（上海華信國際集團有限公司）is owned as to 55.67% by CEFC China Energy Company Limited*（中國華信能源有限公司）, as to 30.50% by Shanghai CEFC Financial Holding Co., Ltd.*（上海市華信金融控股有限公司）and as to 13.83% by China CEFC International Equity Investment Co., Ltd.*（中國華信國際股權投資有限公司）.

13. Mr. Su Weizhong holds 50% shares in Shanghai Zhong'an United Investment Fund Co., Ltd.*（上海中安聯合投資基金股份有限公司）.

14. Ms. Yi Qianru is the spouse of Mr. Guo Lin, the Chairman of the Board and an executive director of the Company and is therefore deemed to be interested in the Shares held by Mr. Guo Lin.

15. Mr. Li Yong holds 49% shares in Shanghai Zhong'an United Investment Fund Co., Ltd.*（上海中安聯合投資基金股份有限公司）.

16. Ms. Feng Qiuling is the spouse of Mr. Li Yong and is therefore deemed to be interested in the Shares held by Mr. Li Yong.

17. Based on the disclosure of interests of Ms. Tin Yuen Sin Carol ("Ms. Tin") filed on 28 November 2016, these 114,362,000 Shares are owned as to (i) 4,362,000 Shares beneficially by Ms. Tin; and (ii) 110,000,000 Shares through Favor Way Investments Limited, a company wholly-owned by Ms. Tin. Ms. Tin is the director of Delta Wealth Finance Limited, a wholly-owned subsidiary of the Company. By virtue of the SFO, Ms. Tin is deemed to be interested in the 114,362,000 shares under the SFO.

* *For identification purpose only*

Save as disclosed above, as at 30 June 2017, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, its Group members or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme enables the Company to grant options to any full-time or part-time employee of the Company or any member of the Group (the "Eligible Participant") as incentives or rewards for their contributions to the Group, the Company conditionally adopted a share option scheme (the "Scheme") on 22 November 2013 whereby the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company to the Eligible Participant. The Scheme will be valid and effective for a period of ten years commencing from the listing date of the Company.

As at the date of this announcement, the total number of shares available for issue under the Scheme is 60,000,000 shares, representing 3.55% of the issued share capital of the Company.

Since the adoption of the Scheme and during the six months ended 30 June 2017, no share options were granted, exercised, lapsed or cancelled, and as at 30 June 2017, no share options under the Scheme were outstanding.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the six months ended 30 June 2017.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. The Company's corporate governance practices are based on the principles and code provision as set out in the Code on Corporate Governance Practices ("CG code") in Appendix 14 to the Listing Rules.

Throughout the reporting period, the Company has complied with the CG Code with an exception of deviation from the code provision A.1.8 as explained below:

Under the code provision A.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. No insurance cover has been arranged for Directors up to the date of this announcement since the Directors take the view that the Company shall support Directors arising from corporate activities.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions (the "Required Standard of Dealings"). The Company has confirmed, having made specific enquiry of the Directors, all the Directors have complied with the Required Standard of Dealings throughout the six months ended 30 June 2017.

AUDIT COMMITTEE

The audit committee has reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters. The unaudited consolidated financial statements of the Group for the six months ended 30 June 2017 have been reviewed by the audit committee members who have provided advice and comments thereon.

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

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

CHANGE OF DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the Annual Report 2016 are set out below.

(a) Change of Directors and positions held with the Company

Name/Positions	Appointment Date	Cessation Date
Mr. Guo Lin		
– Chairman of the Board	5 June 2017	
– executive director	5 June 2017	
– chairman of Nomination Committee	25 August 2017	
– chairman of Corporate Governance Committee	25 August 2017	
– member of Remuneration Committee	25 August 2017	
Mr. Jiang Mingsheng		
– executive director	5 June 2017	
Mr. Wang Zhou		
– executive director	5 June 2017	
Mr. Jiang Tianqing		
– executive director	5 June 2017	
– member of Remuneration Committee	25 August 2017	
– member of Nomination Committee	25 August 2017	
– member of Corporate Governance Committee	25 August 2017	
– Authorised Representative *(note 1)*	5 June 2017	

Name/Positions	Appointment Date	Cessation Date
Mr. Lu Hongbing		
– independent non-executive director	5 June 2017	
– chairman of Remuneration Committee	5 June 2017	
– chairman of Corporate Governance Committee (note 3)	5 June 2017	25 August 2017
– member of Audit Committee	5 June 2017	
– chairman of Audit Committee	25 August 2017	
– member of Nomination Committee	5 June 2017	
Mr. Chen Gang		
– executive director		26 May 2017
– member of Nomination Committee		26 May 2017
Mr. Qu Chengbiao		
– executive director		26 May 2017
Mr. Cheng Tze Kit Larry		
– executive director		5 June 2017
– member of Remuneration Committee		5 June 2017
Mr. Hubert Tien		
– Chairman of the Board		5 June 2017
– Authorised Representative (note 1)		5 June 2017
– Service Agent (note 2)		5 June 2017
Mr. Liu Chun Fai		
– member of Remuneration Committee		25 August 2017
– member of Nomination Committee		25 August 2017
– member of Corporate Governance Committee		25 August 2017
Mr. Tse Yuen Ming		
– independent non-executive director		5 June 2017
– chairman of Remuneration Committee		5 June 2017
– chairman of Corporate Governance Committee		5 June 2017
– member of Audit Committee		5 June 2017
– member of Nomination Committee		5 June 2017
Mr. Yeung Kwok Leung		
– executive director		5 June 2017
Mr. Hon Ming Sang		
– chairman of Audit Committee (note 4)		25 August 2017
– chairman of Nomination Committee (note 4)		25 August 2017

Notes:

1. On 5 June 2017, Mr. Jiang Tianqing was appointed as an authorised representative of the Company under Rule 3.05 of the Listing Rules in place of Mr. Hubert Tien.

2. On 5 June 2017, Mr. Hubert Tien ceased to be an authorised representative of the Company for accepting service of process and notices on the Company's behalf in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

3. Mr. Lu Hongbing was appointed as the chairman of the corporate governance committee on 5 June 2017 and ceased to be the chairman of the corporate governance committee on 25 August 2017 but continued to serve as a member thereof.

4. Mr. Hon Ming Sang ceased to be the chairman of each of the audit committee and nomination committee on 25 August 2017 but continued to serve as a member thereof.

(b) Emoluments

Upon review and recommendation by the Remuneration Committee of the Company, the Board had resolved that the director's fee of Mr. Liu Chun Fai, an executive director of the Company, be increased from HK$30,000 to HK$50,000 per month with effect from 5 June 2017.

Save as disclosed above, the Company is not aware of other changes in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

By order of the Board
Runway Global Holdings Company Limited
Guo Lin
Chairman

Hong Kong, 29 August 2017

As at the date of this announcement, the Board is comprised of 9 Directors:

Executive Directors:	Mr. Guo Lin Mr. Jiang Mingsheng Mr. Wang Zhou Mr. Jiang Tianqing Mr. Hubert Tien Mr. Liu Chun Fai
Independent Non-Executive Directors:	Mr. Lu Hongbing Mr. Tang Shu Pui Simon Mr. Hon Ming Sang