長城環亞控股有限公司*
GREAT WALL PAN ASIA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 583)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

INTERIM RESULTS

The board of directors (the "**Board**" or "**Directors**") of Great Wall Pan Asia Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2018, together with the comparative unaudited figures for the corresponding period in 2017, as follows:

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2018
(with comparatives at 31 December 2017)

	Notes	**(Unaudited) 30 June 2018** *HK$'000*	(Audited) 31 December 2017 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*3*	**4,320**	5,309
Investment properties	*4*	**3,595,200**	1,781,500
Investment in associates	*5*	**3,246,050**	2,607
Available-for-sale financial asset		**–**	1,196
Financial asset at fair value through profit or loss	*6*	**1,186**	–
Restricted cash	*11*	**7,115**	–
Loan receivable	*7*	**116,649**	–
		6,970,520	1,790,612

CONDENSED CONSOLIDATED BALANCE SHEET (continued)
AT 30 JUNE 2018
(with comparatives at 31 December 2017)

	Notes	(Unaudited) 30 June 2018 HK$'000	(Audited) 31 December 2017 HK$'000
Current assets			
Accounts receivable	8	**3,665**	8,986
Amount due from an intermediate holding company		**5,549**	–
Prepayments, deposits and other receivables	9	**17,676**	1,445,002
Cash and bank balances		**146,605**	118,561
		173,495	1,572,549
Total assets		**7,144,015**	3,363,161
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**1,882**	1,814
Other payables and accrued liabilities	12	**61,789**	3,845
Loans from an intermediate holding company	10	**3,915,009**	1,435,668
Bank borrowings	11	**891,625**	–
		4,870,305	1,441,327
Current liabilities			
Other payables and accrued liabilities	12	**30,575**	24,149
Amounts due to associates	5	**1,054**	1,054
Current income tax liabilities		**12,845**	6,527
Bank borrowings	11	**49,792**	–
		94,266	31,730
Total liabilities		**4,964,571**	1,473,057
Net assets		**2,179,444**	1,890,104
EQUITY			
Capital and reserves			
Share capital	13	**156,775**	156,775
Reserves		**2,022,669**	1,733,329
Shareholders' funds and total equity		**2,179,444**	1,890,104

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018
(With comparatives for the six months ended 30 June 2017)

	Notes	(Unaudited) For the six months ended 30 June 2018 HK$'000	2017 (Restated) HK$'000
Revenue	2	**64,070**	46,812
Other income		**2,279**	93
Depreciation		**(1,020)**	(652)
Other operating expenses		**(37,128)**	(29,791)
Fair value gain on investment properties	4	**204,763**	153,500
Operating profit		**232,964**	169,962
Net finance cost	14	**(57,263)**	(4)
Share of profits/(losses) of associates	5	**120,061**	(278)
Profit before income tax		**295,762**	169,680
Income tax expense	15	**(6,270)**	(4,216)
Profit for the period		**289,492**	165,464
Other comprehensive loss			
Item that may be/has been reclassified subsequently to profit or loss:			
Currency translation difference on consolidation		**(152)**	–
Other comprehensive loss for the period, net of tax		**(152)**	–
Total comprehensive income for the period		**289,340**	165,464
Profit attributable to:			
Shareholders of the Company		**289,492**	165,464
Total comprehensive income attributable to:			
Shareholders of the Company		**289,340**	165,464

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2018

(With comparatives for the six months ended 30 June 2017)

		(Unaudited) For the six months ended 30 June	
		2018	2017
	Notes		(Restated)
Earnings per share	*16*		
Basic		**HK18.47 cents**	HK10.55 cents
Diluted		**HK18.47 cents**	HK10.55 cents
Dividends	*17*	**–**	–

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information ("**interim financial information**") of the Group for the six months ended 30 June 2018 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

The interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

Except as described below, the accounting policies and methods of computation used in the preparation of this interim financial information are consistent with those used in the consolidated financial statements for the year ended 31 December 2017.

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

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the critical accounting estimates and judgements were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017 except for the adoption of amendment to HKFRSs effective for the financial year ending 31 December 2018.

The investment properties were valued by independent professional valuers to determine their fair values as at 30 June 2018. The Group has adopted such valuation and recognised a fair value gain of HK$204,763,000 (30 June 2017: HK$153,500,000) accordingly. The principal assumptions underlying management's estimation of fair values of the investment properties and the basis of valuation are consistent with those applied in the consolidated financial statements for the year ended 31 December 2017, except for the rental rate and capitalisation rates. Rental rates are estimated based on recent lettings of HK$110 psf (2017: HK$110 psf) for the retail shop, HK$36 psf to HK$95.5 psf (2017: HK$36 psf to HK$92.8 psf) for office buildings, and HK$12.5 psf to HK$28 psf (2017: HK$12.5 psf to HK$26.5 psf) for industrial properties. With other variable(s) held constant, the lower the rents, the lower the fair value. At 30 June 2018, capitalisation rates of 2.50% to 3.75% (2017: 2.75% to 4%) are used in the income capitalisation approach for the retail shop, office buildings and industrial properties. With other variable(s) held constant, the higher the rates, the lower the fair value. Please refer to Note 4 for details of the investment property acquired during the period.

Certain comparative figures have been reclassified to conform with current period's presentation.

New and amended standards adopted by the Group

The following amendments to existing standards that is relevant to the Group are mandatory for the first time for the financial year beginning 1 January 2018.

- HKFRS 9, 'Financial Instruments', and
- HKFRS 15, 'Revenue from Contracts with Customers'.

The Group has adopted the requirements of HKFRS 15 "Revenue from Contracts with Customers" and a number of interpretations and amendments to standards which have had an insignificant effect on the condensed consolidated financial statements of the Group.

Set out below are disclosures relating to the impact of the adoption of HKFRS 9 on the Group.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Reclassification from available-for-sale to fair value through profit or loss ("FVTPL")

An investment was reclassified from available-for-sale to financial assets at FVTPL (HK$1,196,000 at 1 January 2018). The investment was measured at its recent transaction cost as at 31 December 2017, as such, there was no impact to the retained earnings at 1 January 2018 as a result of such reclassification.

Summary of significant accounting policies

Set out below are the new or substantially revised accounting policies implementing HKFRS 9 which replace the existing HKAS 39 policies. The accounting policies on hedge accounting are substantially unchanged and are not repeated. The following policies will substantially replace existing policies in the Annual Report for 2017 with subsequent policies in the Annual Report for 2018:

(a) Financial instruments measured at amortised cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes the directly attributed transactions costs. If the initial fair value is lower than the cash amount advanced, such as in the case of some leveraged finance and syndicated lending activities, the difference is deferred and recognised over the life of the loan through the recognition of interest income, unless the loan becomes impaired.

The Group may commit to underwriting loans on fixed contractual terms for specified periods of time. When the loan arising from the lending commitment is expected to be held for trading, the commitment to lend is recorded as a derivative. When the Group intends to hold the loan, the loan commitment is included in the impairment calculations set out below.

*(b) Financial assets measured at fair value through other comprehensive income ("**FVOCI**")*

Financial assets held for a business model that is achieved by both selling and collecting contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. These comprise primarily debt securities. They are recognised on the trade date when the Group enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the income statement as "Gains less losses from financial investments". Financial assets measured at FVOCI are included in the impairment calculations set out below and impairment is recognised in profit or loss.

(c) Equity securities measured at fair value with fair value movement presented in OCI

The equity securities for which fair value movements are shown in OCI are business facilitation and other similar investments where the Group holds the investments other than to generate a capital return. Gains or losses on the derecognition of these equity securities are not transferred to profit or loss. Otherwise equity securities are measured at fair value through profit or loss (except for dividend income which is recognised in profit or loss).

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Reclassification from available-for-sale to fair value through profit or loss ("FVTPL") (continued)

Summary of significant accounting policies (continued)

(d) Financial instruments designated at fair value

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

– the use of the designation removes or significantly reduces an accounting mismatch;

– when a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on the fair value basis, in accordance with a documented risk management or investment strategy; and

– where the financial liabilities contains one or more non-closely related embedded derivatives.

Designated financial assets are recognised when the Group enters into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Group enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair value are recognised in the income statement in "Net income from financial instruments measured at fair value".

(e) Derivatives

Derivatives are financial instruments that derive their value from the price of underlying item such as equities, interest rates or other indices. Derivatives are recognised initially and are subsequently measured at fair value. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. This includes embedded derivatives in financial liabilities which are bifurcated from the host contract when they meet the definition of a derivative on a stand-alone basis.

(f) Impairment of amortised cost and FVOCI financial assets

Expected credit losses ("**ECL**") are recognised for loans and advances to customers and other financial assets held at amortised cost. At initial recognition, allowance is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ("**12-month ECL**"). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument. Financial assets where 12-month ECL is recognised are considered to be "stage 1"; financial assets which are considered to have experienced a significant increase in credit risk are in "stage 2"; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit-impaired are in "stage 3".

Measurement of ECL

The assessment of credit risk, and the estimation of ECL, are unbiased and probability-weighted, and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

New standards and interpretations not yet adopted

New standards, amendments and interpretations, that are relevant to the Group, have been issued but are not effective for the financial year beginning 1 January 2018 and have not been early adopted.

HKFRS 16, 'Leases'	Applicable for accounting periods beginning on/after 1 January 2019

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.

Acquisition of subsidiaries

On 6 October 2017, the Company (the "**Purchaser**"), through its wholly-owned subsidiaries, completed the acquisition of the entire issued share capital of each of Great Wall Pan Asia Asset Management Limited (長城環亞資產管理有限公司) (the "**First Acquired Company**") (together with its respective subsidiaries, the "**First Acquired Group**") and Great Wall Pan Asia Corporate Finance Limited (長城環亞融資有限公司) (the "**Second Acquired Company**"), (together with the First Acquired Group, the "**Acquired Group**") (the "**Acquisitions**") from China Great Wall AMC (International) Holdings Company Limited (中國長城資產(國際)控股有限公司) (the "**Vendor**"), an intermediate holding company of the Company.

Upon completion of the Acquisitions, the Acquired Group became the wholly-owned subsidiaries of the Company. As the Company is an indirect subsidiary of the Vendor, the Acquisitions were accounted for as a business combination under common control. Accordingly, the condensed consolidated financial information of the Group for the six months ended 30 June 2018, together with the comparative figures, were prepared using the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, as if the Acquired Group had been combined with the Group from the earliest date when the Acquired Group first came under the control of the Vendor.

The following is a reconciliation of the effect arising from the business combination under common control of the Acquired Group on the consolidated statement of comprehensive income and the consolidated statement of financial position of the Group.

Condensed consolidated statement of comprehensive income
For the period ended 30 June 2017

	The Group (before business combination under common control) *HK$'000*	Effect of business combination under common control of the Acquired Group *HK$'000*	Consolidated *HK$'000*
Revenue	30,821	15,991	46,812
Other income	64	29	93
Depreciation	(477)	(175)	(652)
Other operating expenses	(13,563)	(16,228)	(29,791)
Fair value gain on investment properties	153,500	–	153,500
Operating profit	170,345	(383)	169,962
Finance cost	–	(4)	(4)
Share of loss of associates	(278)	–	(278)
Profit before income tax	170,067	(387)	169,680
Taxation	(4,216)	–	(4,216)
Profit for the period	165,851	(387)	165,464

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Acquisition of subsidiaries (continued)

Consolidated statement of financial position
At 31 December 2017

	The Group (before business combination under common control) *HK$'000*	Effect of business combination under common control of the Acquired Group *HK$'000*	Adjustments *(Note)* *HK$'000*	Consolidated *HK$'000*
Investments in the Acquired Group	39,571	–	(39,571)	–
Investment properties	1,781,500	–	–	1,781,500
Accounts receivable	6,433	2,553	–	8,986
Prepayment, deposit and other receivables	1,444,723	279	–	1,445,002
Cash and bank balances	59,697	58,864	–	118,561
Loan from an intermediate holding company	(1,439,513)	–	–	(1,439,513)
Other liabilities less assets	(22,371)	(2,061)	–	(24,432)
Total assets less liabilities	1,870,040	59,635	(39,571)	1,890,104
Share capital	156,775	30,560	(30,560)	156,775
Merger reserve	–	–	(9,011)	(9,011)
Other reserves	695,677	485	–	696,162
Retained profits	1,017,588	28,590	–	1,046,178
Shareholders' funds and total equity	1,870,040	59,635	(39,571)	1,890,104

Note: The adjustments represent adjustments for elimination of investment cost. The difference has been accounted for in the merger reserve in the consolidated statement of changes in equity.

During the period ended 30 June 2018, the Company had completed the acquisition of a subsidiary, Patrol Hall 12 Limited, and its wholly-owned subsidiary, Ray Glory Limited. For details, please refer to Note 18.

2. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Chief Executive Officer of the Group, who reviews the Group's internal reporting in order to assess performance and allocate resources. The Company's management has determined the operating segments based on these reports.

The Group has two reportable segments, property investment and financial services segments for the period ended 30 June 2018.

For the period ended 30 June 2017 (as restated), the Group had two reportable segments, property investment and financial services segments.

Property investment segment holds various retail, commercial and industrial properties in Hong Kong. It derives revenue through leasing out its properties.

Financial services segment mainly holds licences to carry out Type 1 (dealing in securities) (restricted by certain conditions), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"). As set out in Note 1, the Group had adopted merger accounting. Accordingly, the segment information for the period ended 30 June 2017 had also included the financial services segment as one of the reportable segments.

The chief operating decision-maker assesses the performance of the operating segments based on profit or loss after tax. The Group considers that the measurement principles for profit or loss after tax are most consistent with those used in measuring the corresponding amounts in the Group's financial statements. Hence, profit or loss after tax is used for reporting segment profit or loss.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies in the consolidated financial statements for the year ended 31 December 2017 and Note 1 above, except that interest in the profit or loss of associates is accounted for on the basis of dividend received or receivable in segment profit or loss while such interest is accounted for under the equity method in the Group's consolidated financial statements.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies. Transactions (if any) between reportable segments are accounted for on arm's length basis.

Revenue for 2017 and 2018 consists of revenue from property investment and financial services segments. The revenue for the six months ended 30 June 2018 and 30 June 2017 were HK$64,070,000 and HK$46,812,000 (restated) respectively.

The segment information for the six months ended 30 June 2018 and 2017 is as follows:

(a) Reportable segment profit or loss

For the six months ended 30 June 2018

		(Unaudited)	
	Property investment	**Financial services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Revenue from external customers	**32,923**	**31,147**	**64,070**
Reportable segment net profit	**223,914**	**7,804**	**231,718**

For the six months ended 30 June 2017

		(Unaudited) (Restated)	
	Property investment	Financial services	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	30,821	15,991	46,812
Reportable segment net profit	174,831	(387)	174,444

2. REVENUE AND SEGMENT INFORMATION (continued)

(b) Reconciliation of reportable segment profit or loss

	(Unaudited) For the six months ended 30 June **2018** ***HK$'000***	2017 (Restated) *HK$'000*
Net profit for reportable segments	**231,718**	174,444
Reconciling items:		
Share of profits/(losses) of associates under equity method of accounting	**120,061**	(278)
Finance cost for the acquisition of an associate *(Note)*	**(53,303)**	–
Other corporate and treasury activities	**(8,984)**	(8,702)
Profit for the period	**289,492**	165,464

Note: The finance cost of HK$53,303,000 is not allocated to the above reportable segments as this finance cost was incurred for the acquisition of an associate. Please refer to Notes 5 and 10 for details.

3. PROPERTY, PLANT AND EQUIPMENT

(Unaudited)

	Computer equipment *HK$'000*	Office equipment *HK$'000*	Office furniture *HK$'000*	Leasehold improvement *HK$'000*	Total *HK$'000*
Net book value at 1 January 2018	**–**	**1,335**	**716**	**3,258**	**5,309**
Acquisition of subsidiaries *(Note 18)*	**14**	**14**	**–**	**–**	**28**
Additions	**2**	**90**	**39**	**61**	**192**
Depreciation	**(1)**	**(190)**	**(65)**	**(764)**	**(1,020)**
Written off	**–**	**(175)**	**(14)**	**–**	**(189)**
Net book value at 30 June 2018	**15**	**1,074**	**676**	**2,555**	**4,320**
At 30 June 2018					
Cost	**2,138**	**1,969**	**947**	**4,782**	**9,836**
Accumulated depreciation	**(2,123)**	**(895)**	**(271)**	**(2,227)**	**(5,516)**
Net book value at 30 June 2018	**15**	**1,074**	**676**	**2,555**	**4,320**

(Unaudited)
(Restated)

	Office equipment *HK$'000*	Office furniture *HK$'000*	Leasehold improvement *HK$'000*	Total *HK$'000*
Net book value at 1 January 2017	1,277	210	953	2,440
Additions	340	610	3,504	4,454
Depreciation	(167)	(45)	(440)	(652)
Currency translation difference	1	–	–	1
Net book value at 30 June 2017	1,451	775	4,017	6,243
At 30 June 2017				
Cost	5,251	1,008	4,721	10,980
Accumulated depreciation	(3,800)	(233)	(704)	(4,737)
Net book value at 30 June 2017	1,451	775	4,017	6,243

4. INVESTMENT PROPERTIES

	(Unaudited) **30 June** **2018** ***HK$'000***	(Audited) 31 December 2017 *HK$'000*
Opening balance at 1 January	**1,781,500**	1,560,500
Acquisition of subsidiaries *(Note 18)*	**1,608,921**	–
Addition	**16**	–
Fair value gain	**204,763**	221,000
Ending balance	**3,595,200**	1,781,500

During the six months ended 30 June 2018, the Group had completed the acquisition of Patrol Hall 12 Limited indirectly owning Kwai Fong Plaza as disclosed in Note 18.

Similar to the existing office buildings, retail shop and industrial properties, the fair value of Kwai Fong Plaza is also derived using the income capitalisation approach. Capitalisation rates of Kwai Fong Plaza including the retail shops, fresh market and carparks are estimated by management, after consultation with valuers based on the risk profile of the properties being valued. With other variable(s) held constant, the higher the rates, the lower the fair value. At 30 June 2018, capitalisation rates of 3.5% to 3.75% are used in the income capitalisation approach for the retail shops, fresh market and carparks. Rental rates are estimated based on recent lettings of HK$59 psf and HK$41 psf for the retail shops and fresh market respectively, and HK$3,148 per car park space. With other variable(s) held constant, the lower the rents, the lower the fair value.

There is no transfer between levels of the fair value hierarchy used in measuring the fair value of the investment properties during the period.

5. INVESTMENT IN ASSOCIATES

	(Unaudited) **30 June** **2018** ***HK$'000***	(Audited) 31 December 2017 *HK$'000*
At 1 January 2018 / 2017	**2,607**	3,011
Investment in an associate	**3,123,382**	–
Share of profits/(losses) of associates	**120,061**	(404)
At 30 June 2018 / 31 December 2017	**3,246,050**	2,607

5. INVESTMENT IN ASSOCIATES (continued)

On 28 November 2017, GWPA Property I Holding Limited ("**GWPA Property**"), a wholly-owned subsidiary of the Company, entered into the shareholders agreement (which was amended and restated on 15 February 2018 and 12 April 2018 respectively) with other investors regarding the formation of a joint venture, Everwell City Limited ("**Everwell City**"), of which GWPA Property agreed to subscribe for 29.9% of class A ordinary shares of Everwell City. Everwell City had participated into a bidding for and won the bid for the purchase of a portfolio of assets comprising 17 diversified commercial properties and shopping centres, plazas and carparks across Hong Kong (the "**Portfolio Assets**").

Under the said shareholders agreement, GWPA Property also agreed to provide an interest-free advance of not more than HK$743,000,000 to Everwell City in consideration of the grant of a call option which entitled GWPA Property to purchase the relevant intermediate holding company of the joint venture group holding interests in one of the Portfolio Assets, and the actual amount of such interest-free advance provided to Everwell City by GWPA Property was HK$725,051,488.

The Group's capital contribution to Everwell City was completed on 22 February 2018 and the actual contribution paid to Everwell City by GWPA Property was HK$3,123,382,161, which was financed by loan from the immediate holding company of the Company. The purchase of the Portfolio Assets by Everwell City was completed on 28 February 2018.

During the period, the Company exercised the call option in May 2018 and completed the acquisition of Patrol Hall 12 Limited and its subsidiary, the major asset of which is Kwai Fong Plaza. Please refer to Notes 1 and 18 for details of the acquisition of subsidiaries from Everwell City.

As at 31 December 2017, the balance represented the investment in an associate, Dymocks Franchise Systems (China) Limited ("**Dymocks**"). It operated as a bookshop.

Summarised financial information for the principal associate

Set out below is the summarised financial information for Everwell City as at 30 June 2018, which is accounted for using the equity method. In the opinion of the directors, Everwell City is material to the Group.

Summarised balance sheet

	(Unaudited) 30 June 2018 *HK$'000*
Non-current assets	**23,740,874**
Current assets	**148,451**
Non-current liabilities	**(23,396,422)**
Current liabilities	**(90,511)**
	402,392

5. INVESTMENT IN ASSOCIATES (continued)

Summarised financial information for the principal associate (continued)

Summarised statement of comprehensive income

	(Unaudited) **30 June 2018** ***HK$'000***
Revenue	**287,200**
Profit and total comprehensive income for the period	**336,960**

Reconciliation of summarised financial information

	(Unaudited) **30 June 2018** ***HK$'000***
Capital and reserves attributable to equity holders	**336,260**
Group's shareholdings *(Note (a))*	**35.78%**
Group's share of capital and reserves attributable to equity holders *(Note (b))*	**120,061**

	(Unaudited) **30 June** **2018** ***HK$'000***	(Audited) 31 December 2017 *HK$'000*
Amounts due to associates	**1,054**	1,054

The balances represent the amounts due to Dymocks and its immediate holding Company. They are unsecured and interest-free.

Notes:

(a) *On 12 April 2018, one of the existing shareholders of Everwell City had syndicated a portion of its interests to a new investor. Due to regulatory reasons, the new investor had to directly acquire a stake in each underlying Hong Kong subsidiaries of Everwell City and as such, the Group's interests in such Hong Kong subsidiaries had been diluted. To facilitate the new investor's acquisition, the Group's shareholding percentage in Everwell City had been adjusted accordingly and the Group's interest in Everwell City had been increased to 35.78% so as to maintain the Group's effective economic interests in the relevant Hong Kong subsidiaries and underlying assets at approximately 29.9% following the acquisition. Notwithstanding such adjustment, the proportionate voting rights of the existing shareholders of Everwell City remain the same.*

(b) *The share of profits from Everwell City consisted of:*

1. *Share of profits of 29.9% from 22 February 2018 to 11 April 2018;*

2. *Share of profits of 35.78% from 12 April 2018 to 30 June 2018,*

however, the effective share of profits of the Group from each underlying Hong Kong subsidiaries of Everwell City remains at approximately 29.9% notwithstanding such increase in shareholding.

6. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 June 2018 *HK$'000*
At market value	
Investment in fund, unlisted in the People's Republic of China	**1,186**

The above investment has been measured at fair value as at 30 June 2018, and is classified under level 3 in the fair value hierarchy.

	(Unaudited)			
	Level 1 *HK$'000*	**Level 2** *HK$'000*	**Level 3** *HK$'000*	**Total** *HK$'000*
Financial asset at fair value through profit or loss				
Investment in fund	**–**	**–**	**1,186**	**1,186**

There was no transfer between levels during the period ended 30 June 2018 and the year ended 31 December 2017.

The financial asset at fair value through profit or loss under level 3 fair value measurement represents the investment in limited partnership which is owned by Shen Zhen Great Wall Pan Asia International Equity Investment Fund Management Company* (深圳長城環亞國際股權投資基金管理有限公司), a wholly-owned subsidiary of the Company and is not traded in the active market. The directors have determined that the purchase cost represents fair value at the end of the reporting period for the investment in limited partnership as the investment was purchased close to period end.

7. LOAN RECEIVABLE

As at 30 June 2018, the loan receivable bears interest at London Interbank Offered Rate plus 8% per annum. The carrying value of the loan receivable approximates to its fair value. There was no loan receivable at 31 December 2017.

In deriving the ECL, the directors of the Company exercise their judgements and consider various factors such as exposure amount at default, the probability of default, and loss given default.

ECL of the loan receivable as at 30 June 2018 amounted to HK$51,000, which was recognised in the condensed consolidated statement of comprehensive income for the period.

8. ACCOUNTS RECEIVABLE

The Group allows an average credit period of 1 to 60 days to its customers and an ageing analysis of accounts receivable is as follows:

	(Unaudited) 30 June 2018		(Audited) 31 December 2017	
	Balance	**Percentage**	Balance	Percentage
	HK$'000	***%***	*HK$'000*	*%*
Current	**21**	**0.6**	6,170	68.6
Less than 30 days past due	**2,736**	**74.7**	553	6.2
31 to 60 days past due	**15**	**0.3**	553	6.2
61 to 90 days past due	**21**	**0.6**	855	9.5
Over 90 days past due	**872**	**23.8**	855	9.5
Total	**3,665**	**100.0**	8,986	100.0
Less: Allowance for impairment	**–**		–	
	3,665		8,986	

Account receivable past due but not impaired represents balance that the Group considered to be fully recoverable based on the past experience. A portion of these balances is secured by cash deposit placed by customers. As at 31 July 2018, approximately HK$2,780,000 accounts receivable has been subsequently settled.

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 31 December 2017, the balance included mainly deposits of HK$1,435,668,000 paid for investment in a joint venture as detailed in Note 5. On 28 November 2017, GWPA Property entered into the shareholders agreement (which was amended and restated on 15 February 2018 and 12 April 2018 respectively) with other investors regarding the formation of a joint venture, of which GWPA Property agreed to subscribe for 29.9% of class A ordinary shares of the joint venture. The deposits were subsequently accounted for as investment in an associate. For details, please refer to Notes 5 and 18.

As at 30 June 2018, the balance represents mainly the rental deposits paid.

10. LOANS FROM AN INTERMEDIATE HOLDING COMPANY

During the year ended 31 December 2017, an intermediate holding company, China Great Wall AMC (International) Holdings Company Limited ("**Great Wall International**"), had agreed to provide loan facilities up to HK$4,130,000,000 for financing the Group's investment in a joint venture as described in Note 5. As at 31 December 2017, the Group had drawn down HK$1,435,668,000. As at 30 June 2018, the Group has drawn down HK$3,848,434,000. The loan from an intermediate holding company is denominated in HK$, interest bearing at Hong Kong Interbank Offered Rate plus 1.9% and is repayable by November 2022.

During the six months ended 30 June 2018, Great Wall International has further agreed to provide loan facilities up to 8,557,300 United States dollars ("**US$**") (equivalent to HK$66,576,000). As at 30 June 2018, the Group has drawn down US$8,557,300 which is equivalent to approximately HK$66,576,000. The loan is denominated in US$, interest bearing at 3.5% and is repayable by February 2026.

The directors of the Company consider the loans are on normal commercial terms. The carrying values of the loans approximate their fair values.

11. BANK BORROWINGS

	(Unaudited) 30 June 2018 *HK$'000*
Non-current	
Bank loan *(Note (a))*	**891,625**
Current	
Bank loan *(Note (b))*	**49,792**
	941,417

Notes:

(a) *During the six months ended 30 June 2018, the Group has acquired a subsidiary with an existing bank loan of HK$891,308,000. The loan is denominated in HK$. The effective interest rate of the loan is 2.86% and is repayable by 2021. As at 30 June 2018, the Group has undrawn bank facility of approximately HK$35,000,000. As at 30 June 2018, the Group has pledged an investment property of fair value of HK$1,630,000,000 and a restricted cash of HK$7,115,000 to the lender, as a collateral of bank loan.*

(b) *During the six months ended 30 June 2018, the Group has drawn down an US$ loan of US$6,400,000 which is equivalent to HK$49,792,000. The effective interest rate of the loan is 3.77% and is repayable within 1 year. As at 30 June 2018, there was no undrawn bank facility.*

(c) *In addition to the undrawn bank facility mentioned in (a), as at 30 June 2018, the Group had an undrawn bank facility of principal amount of HK$300,000,000.*

The carrying amounts of bank borrowings approximate their fair values, and are denominated in the following currencies:

	(Unaudited) 30 June 2018 *HK$'000*
HK$	**891,625**
US$	**49,792**
	941,417

As at 31 December 2017, the Group had no bank borrowings balance.

12. OTHER PAYABLES AND ACCRUED LIABILITIES

	(Unaudited) 30 June 2018 *HK$'000*	(Audited) 31 December 2017 *HK$'000*
Interest payable	**58,111**	3,845
Deposits received from tenants	**17,304**	11,962
Other payables and accrued expenses	**12,460**	10,129
Rental received in advance	**4,248**	810
Others	**241**	1,248
	92,364	27,994
Represented by:		
Non-current portion	**61,789**	3,845
Current portion	**30,575**	24,149
	92,364	27,994

13. SHARE CAPITAL

	(Unaudited) 30 June 2018		(Audited) 31 December 2017	
	Number of shares	**Amount** *HK$'000*	Number of shares	Amount *HK$'000*
Authorised:				
Ordinary shares of HK$0.10 each	**5,000,000,000**	**500,000**	5,000,000,000	500,000
Issued and fully paid:				
Opening and ending balance	**1,567,745,596**	**156,775**	1,567,745,596	156,775

14. NET FINANCE COST

	(Unaudited) For the six months ended 30 June **2018** *HK$'000*	2017 (Restated) *HK$'000*
Finance cost/(income)		
– Interest expense on the loans from an intermediate holding company *(Note 10)*	**54,082**	–
– Interest expenses on bank loans *(Note 11)*	**2,757**	–
– Arrangement fee	**471**	4
– Interest income from bank	**(47)**	–
	57,263	4

15. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at a rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the period.

	(Unaudited) For the six months ended 30 June **2018** *HK$'000*	2017 (Restated) *HK$'000*
Current income tax		
Hong Kong profits tax	**6,202**	4,107
Deferred income tax		
Deferred tax expense	**68**	109
	6,270	4,216

The movement on the deferred income tax liabilities is as follow:

	(Unaudited) 2018 *HK$'000*	(Audited) 2017 *HK$'000*
At 1 January	**1,814**	1,574
Charged to profit for the period/year	**68**	240
At 30 June/31 December	**1,882**	1,814

16. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK$289,492,000 (2017 restated: HK$165,464,000), and the weighted average of 1,567,745,596 shares in issue (2017: 1,567,745,596 shares in issue) during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from exercise of all outstanding share options granted under the Company's share option scheme. A calculation is done to determine the number of shares that could have been acquired at fair value (determined with reference to the latest available market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. As at 30 June 2018 and 2017, there are no outstanding options to be exercised. Accordingly, there was no potential dilutive ordinary shares during the six months ended 30 June 2018 and 2017.

17. DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2018 (30 June 2017: Nil).

The Board had resolved not to recommend any payment of final dividend for the year ended 31 December 2017.

18. BUSINESS COMBINATION

As set out in Note 5, under the shareholders agreement, GWPA Property was granted a call option (the "**Option**") to acquire one of the Portfolio Assets. On 11 May 2018, GWPA Property exercised the Option for the purchase of the sale shares (representing the entire issued shares of Patrol Hall 12 Limited ("**Patrol Hall 12**")) and the sale loan (representing all of the shareholder's loan owed by Patrol Hall 12). GWPA Property designated Great Wall Pan Asia Property Investment Limited, a wholly-owned subsidiary of the Company, to take up the sale shares and the sale loan on completion. Purchase price of HK$725,051,488 was paid on 13 June 2018 (the "**Completion Date**") by setting off against the outstanding amount of the advance of HK$725,051,488 owed by Everwell City to GWPA Property. As at 13 June 2018, the Group has completed the acquisition of Patrol Hall 12 and its wholly-owned subsidiary, Ray Glory Limited, directly owning Kwai Fong Plaza.

As a result of the above acquisition, the Group recognised a gain of HK$1,513,351 upon exercising the Option in the condensed consolidated statement of comprehensive income.

18. BUSINESS COMBINATION (continued)

Acquisition of subsidiaries

	(Unaudited) 30 June 2018 *HK$'000*
Cash consideration	**725,051**
Realised gain of the Option	**1,513**
Total investment cost	**726,564**
Less: Net assets of Patrol Hall 12 as at Completion Date	**1,513**
Amount due to the immediate holding company by Patrol Hall 12 as at Completion Date	**725,051**
	–

(a) Details of fair value of net assets acquired as at the Completion Date are as follows:

	(Unaudited) 30 June 2018 *HK$'000*
Investment property	**1,608,921**
Property, plant and equipment	**28**
Restricted cash	**7,115**
Cash and bank balances	**3,617**
Accounts receivable	**1,057**
Accrued expenses	**(2,964)**
Advance payment received from tenants	**(1,237)**
Amount due to the immediate holding company by Patrol Hall 12	**(725,051)**
Borrowing	**(891,308)**
Other assets	**1,335**
Net identifiable assets acquired	**1,513**

Notes:

(1) The acquired business contributed revenue of HK$5,034,000 and net profit of HK$21,271,000 to the Group for the period from the Completion Date to 30 June 2018.

(2) Acquisition-related costs of HK$840,000 were included in the other operating expenses in the consolidated statement of comprehensive income for the six months ended 30 June 2018.

18. BUSINESS COMBINATION (continued)

(b) Analysis of the net cash outflow in respect of the acquisition:

	(Unaudited) 30 June 2018 *HK$'000*
Purchase consideration	**725,051**
Cash and bank balances	**(3,617)**
	721,434
Restricted cash	**(7,115)**
Net cash outflows arising from acquisition	**714,319**

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS OF THE GROUP

The Group's consolidated operating results for the six months ended 30 June 2018 and 2017 were as follows:

(HK$ millions, except percentages and per share amounts)	**For the six months ended 30 June** **2018**	(Restated) 2017	% Change
Revenue	**64.1**	46.8	37.0%
Depreciation	**(1.0)**	(0.6)	66.7%
Other operating expenses	**(37.1)**	(29.7)	24.9%
Adjusted operating profit^	**26.0**	16.5	57.6%
Other income	**2.2**	–	**
Fair value gain on investment properties	**204.8**	153.5	33.4%
Operating profit	**233.0**	170.0	37.1%
Net finance cost	**(57.3)**	–	**
Share of profits/(losses) of associates	**120.1**	(0.3)	**
Profit before income tax	**295.8**	169.7	74.3%
Income tax expense	**(6.3)**	(4.2)	50.0%
Profit for the period	**289.5**	165.5	74.9%
Profit attributable to shareholders	**289.5**	165.5	74.9%
Earnings per share (HK cents)	**18.5**	10.6	74.5%

^ *This amount represents the operating profit before other income and fair value gain on investment properties*

** *Represents a change in excess of 100%*

Profit attributable to shareholders in the first half of 2018 amounted to HK$289.5 million (30 June 2017 (restated): HK$165.5 million), representing an increase of 74.9%. Earnings per share were HK18.5 cents, based on weighted average of 1,567,745,596 shares in issue (30 June 2017 (restated): HK10.6 cents based on 1,567,745,596 shares in issue).

Excluding the revaluation gain of investment properties in the first half of 2018 of HK$204.8 million (30 June 2017 (restated): HK$153.5 million), profit attributable to shareholders for the six months ended 30 June 2018 was HK$84.7 million (30 June 2017 (restated): HK$12 million), representing an increase of 605.8%. The increase was mainly due to the share of profits of associates of approximately HK$120.1 million in the first half of 2018.

FINANCIAL REVIEW BY OPERATING SEGMENTS

The Group's reportable and operating segments during the six months ended 30 June 2018 are as follows:

(a) property investment segment comprises the investment in retail, commercial and industrial premises and car parking spaces for rental income potential; and

(b) financial services segment comprises provision of asset management and corporate finance services (licensed by the Securities and Futures Commission of Hong Kong (the "**SFC**") to carry out Types 1, 4, 6 and 9 regulated activities) and direct investment in a fund.

Property Investment

	For the six months ended 30 June		
(HK$ millions, except percentages)	**2018**	2017	% Change
Revenue	**32.9**	30.8	6.8%
Adjusted EBITDA^	**25.8**	26.0	(0.8%)
Depreciation	(0.1)	(0.5)	(80%)
Adjusted operating profit	**25.7**	25.5	0.8%
Fair value gain on investment properties	204.8	153.5	33.4%
Net finance cost	(2.5)	–	**
Income tax expense	(4.1)	(4.2)	(2.4%)
Profit attributable to shareholders	**223.9**	174.8	28.1%

^ *Adjusted EBITDA is defined as earnings before interest, tax, depreciation, other income and fair value gain on investment properties*

Revenue of property investment segment for the first half of 2018 was HK$32.9 million, compared with HK$30.8 million in the first half of 2017. The slight increase is mainly due to the revenue from Kwai Fong Plaza of approximately HK$5.0 million since the acquisition of Kwai Fong Plaza in June 2018 but no rental income was generated from Yue King Building as it was vacant since 1 April 2018, after the expiry of the tenancy agreement.

The increase in profit attributable to shareholders was mainly due to the increase in fair value gain on investment properties. Excluding the fair value gain on investment properties and the tax impact, the adjusted operating profit increased by HK$0.2 million, which was mainly attributable to the increase in revenue.

As at the date of this announcement, the Group's diversified investment property portfolio in Hong Kong comprises Kwai Fong Plaza, and certain floors of the Bank of America Tower, Yue King Building, Ko Fai Industrial Building and Seaview Estate. Revaluation gain on investment properties for the first half of 2018 was HK$204.8 million, compared with HK$153.5 million in the first half of 2017.

The Group's investment properties were revalued as at 30 June 2018 by independent professionally qualified valuers, Cushman & Wakefield Limited and Savills Valuation and Professional Services Limited, both firms hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties being valued. For all investment properties, their current use equates to the highest and best use. The revaluation gains or losses are shown as "Fair value gain or loss on investment properties" in the condensed consolidated statement of comprehensive income. Fair values of the office buildings, retail shops and industrial properties are derived using the income capitalisation approach. There were no changes to the valuation techniques during the period.

Financial Services

	For the six months ended 30 June		
(HK$ millions, except percentages)	**2018**	(Restated) 2017	% Change
Revenue	**26.8**	16.0	67.5%
Adjusted EBITDA^	**11.6**	(0.2)	**
Depreciation	(0.2)	(0.2)	–
Adjusted operating profit	**11.4**	(0.4)	**
Net finance cost	(1.4)	–	**
Income tax expense	(2.2)	–	**
Profit/(loss) attributable to shareholders	**9.2**	(0.4)	**

** *Represents a change in excess of 100%*

^ *Adjusted EBITDA is defined as earnings before interest, tax, depreciation and other income*

The revenue derived from asset management services for the first half of 2018 was around HK$16.6 million (30 June 2017 (restated): HK$14.8 million) and the corporate finance services fees for the first half of 2018 recorded around HK$10.2 million (30 June 2017 (restated): HK$1.2 million). The increase of the financial service income was mainly attributable to the interest income from the loan receivable of HK$4.3 million and the increase in the number of projects under corporate finance service, due to the expansion and focus of the financial services business by the Group since the second half of year 2017.

Share of Profits of Associates

The Group completed the investment in a joint venture, Everwell City Limited (together with its subsidiaries, collectively the "**JV Group**") in February 2018. Investment in associate represents the Group's equity interests in such JV Group, which owns 16 diversified commercial properties and shopping centres, plazas and carparks across Hong Kong at Cheung Hang Shopping Centre, Kai Yip Commercial Centre, Kam Tai Shopping Centre, Lei Cheng Uk Shopping Centre, On Ting Commercial Complex, Shek Lei Shopping Centre I & II, Tai Wo Hau Commercial Centre, Tsz Ching Shopping Centre, Yau Oi Commercial Centre, Yung Shing Shopping Centre, Kwai Shing East Shopping Centre, Lai Kok Shopping Centre, Lee On Shopping Centre, Retail and Car Park within Shun Tin Estate, Tsing Yi Commercial Complex and Lions Rise Mall. The Group's share of profits of associates was approximately HK$120.1 million for the first half of 2018. This encouraging result has proven that such investment can enhance the Group's profitability and benefit our future development.

LIQUIDITY AND CAPITAL RESOURCES

The Group's main source of liquidity is recurring cash flows from the property investment and financial services businesses. The Group's financial position as at 30 June 2018 and 31 December 2017 were as follows:

(HK$ millions, except percentages)	**30 June 2018**	31 December 2017	% Change
Cash and bank balances	**146.6**	118.6	23.6%
Shareholders' funds	**2,179.4**	1,890.1	15.3%
Current ratio#	**1.84**	4.31	(57.3%)
Gearing ratio	**68.3%**	41.1%	66.2%

\# *The balance of approximately HK$1,435 million, being the deposit paid for the investment in a joint venture as at 31 December 2017, was subsequently accounted for as investment in an assoicate at the end of February 2018 and was excluded when calculating the current ratio.*

The Group's cash and bank balances are held predominantly in Hong Kong dollars. The Group has no significant exposure to foreign exchange fluctuations. The Group has maintained a strong cash position and expects its cash and cash equivalents, and cash generated from operations to be adequate to meet its working capital requirements.

As at 30 June 2018, the Group had total cash and bank balances of approximately HK$146.6 million, as compared to HK$118.6 million as at 31 December 2017. The Group's gearing ratio as at 30 June 2018 was 68.3% (as at 31 December 2017: 41.1%), being calculated as total debts (which includes the loans from an intermediate holding company and bank borrowings) less cash and bank balances, over the Company's total capital employed. The increased borrowings are attributable to the loans from an intermediate holding Company amounted to HK$3,915.0 million and bank borrowings amounted to HK$941.4 million for the expansion of the Group's businesses. As at 30 June 2018, the Group had outstanding principal of unsecured shareholder loans of HK$3,915.0 million (as at 31 December 2017: HK$1,435.7 million). As at 30 June 2018, the Group has undrawn bank facility of approximately HK$335 million (as at 31 December 2017: Nil), and the Group had outstanding bank borrowings of approximately HK$941.4 million as at 30 June 2018 (as at 31 December 2017: Nil). The Group actively and regularly reviews and manages its liquidity position and financial resources and makes adjustments in light of changes in economic conditions and business development needs.

For the SFC licensed corporations under the Group, the Group has ensured that each of the licensed corporations maintains a liquidity level adequate to support the level of activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the six months ended 30 June 2018, all the licensed subsidiaries have complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules.

Charges on Assets

As at 30 June 2018, an investment property of the Group with fair value of approximately HK$1,630 million and restricted cash of HK$7.1 million (as at 31 December 2017: Nil) were pledged to secure the mortgage loan granted to the Group.

Operating Activities

Net cash generated from operating activities for the six months ended 30 June 2018 was HK$1,460.4 million, compared with net cash generated of HK$8.3 million (as restated) for the six months ended 30 June 2017. The increase in operating cash flows was mainly due to decrease in prepayments, deposits and other receivables.

Investing Activities

Net cash used in investing activities for the six months ended 30 June 2018 was HK$3,961.7 million, compared with net cash used of HK$4.5 million (as restated) for the six months ended 30 June 2017. The cash flow in current period was mainly used for the investment in an associate of HK$3.123 million and for the acquisition of business and subsidiaries of HK$721 million.

Financing Activities

Net cash generated from financing activities for the six months ended 30 June 2018 was HK$2,529.5 million. During the period, HK$2,479.3 million shareholder's loans were received from the intermediate holding company of the Company. There is no cash generated from or used in financing activities for the six months period ended 30 June 2017.

Employees and Remuneration Policy

As at 30 June 2018, the Group had a total of 25 employees (30 June 2017: 5). As the Group's businesses continue to grow, its remuneration philosophy is designed to provide its employees with the opportunity to excel and grow, while aligning with our business strategies and values.

The Group's remuneration and benefit policies, which are structured in accordance to market terms and statutory requirements, aim to recognise employees with outstanding performance, motivate and reward employees in order to achieve its business performance targets, retain and attract key talents and ensure alignment with the interests of our businesses, and thereby enhancing shareholder value. In addition, other staff benefits such as medical insurance, medical check-up scheme, mandatory provident fund scheme and rental reimbursement scheme are offered to eligible employees.

The Group's employee recruitment and promotion are primarily based on individuals' merits, relevant experiences, development potentials for the positions offered and performance.

Interim Dividend

The Board has resolved not to declare any payment of interim dividend for the six months ended 30 June 2018 (30 June 2017: Nil).

Outlook

At the end of February 2018, the Group completed the investment in the JV Group, which owns a diversified property portfolio comprising various strategically-located commercial properties and shopping centres, plazas and carparks across Hong Kong, and also completed the acquisition and wholly owns the property interest of Kwai Fong Plaza in June this year. These mark a new milestone for the Group in gaining sizable retail presence in Hong Kong, a success in further expansion of its property investment business, and a strengthening of the diversified development of its investment properties portfolio. At the same time, the Groups' property investment business will continue to reap the benefits from the record high prices on prime commercial property sites and the continuously rising market rent levels in Hong Kong.

Since the Group's acquisition of the two licensed corporations (which are licensed to carry out Type 1 (dealing in securities) (restricted by certain conditions), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO in Hong Kong), our integrated financial services business gradually steers in the direction of stable operation and high quality development, and provides a solid foundation for further expansion of the Group's revenue sources.

While China's economy remains stable with enhanced resilience of economic growth, it is still confronted with complicated internal and external situations. Numerous uncertainties arising from the escalating trade conflict between China and the United States, in particular, present us with unprecedented severe challenges. To cope with such challenges, the Board and management of the Company will fully leverage on and utilise the functions of licenses owned by the Group, and will continue to actively seize investment opportunities prudently and thoroughly and develop our two principal businesses, property investment and integrated financial services, on a sustainable basis in order to generate favourable returns for our shareholders while maintaining strong cash position.

CORPORATE GOVERNANCE

The Board and the Company's management are committed to upholding the Group's obligations to shareholders. We regard the promotion and protection of shareholders' interests as one of our priorities and keys to success.

The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board is of the view that, throughout the six months ended 30 June 2018, the Company has complied with the applicable principles and code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 14 to the Listing Rules, save for the deviation from code provision A.2.1 as explained below. The Company also adheres to certain recommended best practices set out in the Corporate Governance Code insofar as they are relevant and practicable.

Code provision A.2.1

The roles of Chairman of the Board and Chief Executive Officer of the Company have been performed by Mr. Ou Peng, our executive Director, since 9 November 2016. Although under code provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, the combination of the roles of chairman and chief executive officer by Mr. Ou is considered to be in the best interests of the Company and its shareholders as a whole. The Company believes that the combined roles of Mr. Ou promotes unity of command and develops strong, clear and better leadership for both the Board and the management and exerts more focus on developing business strategies and implementation of objectives and policies. The balance between power and accountability is struck by the openness and cooperative spirit of the senior management and the Board, which comprise experienced and high-calibre individuals. The structure is supported by the Company's well established corporate governance structure and internal control policies.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee was established with its defined written terms of reference in 1998. The Audit Committee currently comprises two independent non-executive Directors, namely Mr. Woo Chin Wan (Chairman of the Audit Committee) and Dr. Song Ming, and a non-executive Director, Mr. Huang Hu. A majority of the Audit Committee members are independent non-executive Directors, with Mr. Woo Chin Wan and Dr. Song Ming possessing the appropriate professional qualifications and accounting and related financial management expertise.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2018 were reviewed by the Audit Committee, which was of the opinion that the preparation of such interim results complied with the applicable accounting standards and requirements and the Listing Rules, and that adequate disclosures have been made. In addition, the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018 were also reviewed by the Group's external auditors, Messrs. PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", whose review report is included in the 2018 Interim Report to be sent to the shareholders of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was established with its defined written terms of reference in 2000. A majority of its members are independent non-executive Directors. The Remuneration Committee currently comprises two independent non-executive Directors, namely Dr. Song Ming (Chairman of the Remuneration Committee) and Dr. Sun Mingchun, and an executive Director, Mr. Meng Xuefeng.

NOMINATION COMMITTEE

The Nomination Committee was established with its defined written terms of reference in 2005. A majority of its members are independent non-executive Directors. The Nomination Committee currently comprises an executive Director, Mr. Ou Peng (Chairman of the Nomination Committee) and two independent non-executive Directors, namely Dr. Song Ming and Dr. Sun Mingchun.

COMPLIANCE WITH THE MODEL CODE AND THE COMPANY'S GUIDELINES

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct for securities transactions by its Directors. Having made specific enquiry with all Directors, all Directors have confirmed their compliance with the required standards set out in the Model Code throughout the six months ended 30 June 2018 and up to the date of this announcement.

The Company has adopted written guidelines (the "**Company's Guidelines**"), which are equally stringent as the Model Code, in respect of securities transactions by relevant employees of the Company who are likely to be in possession of unpublished inside information of the Company pursuant to code provision A.6.4 of the Corporate Governance Code. No incident of non-compliance against the Model Code or the Company's Guidelines by the Company's relevant employees has been noted after making reasonable enquiry.

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

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

This interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwpaholdings.com). The Interim Report of the Company for the six months ended 30 June 2018 containing the information required by Appendix 16 to the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Great Wall Pan Asia Holdings Limited
OU Peng
Chairman

Hong Kong, 30 August 2018

As at the date of this announcement, the Board consists of Mr. Ou Peng and Mr. Meng Xuefeng as executive Directors of the Company, Mr. Huang Hu and Ms. Lv Jia as non-executive Directors of the Company, and Dr. Song Ming, Dr. Sun Mingchun and Mr. Woo Chin Wan as independent non-executive Directors of the Company.

* *For identification purpose only*