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 2020

INTERIM RESULTS

The board of directors (the "**Board**" or "**Directors**") of Great Wall Pan Asia Holdings Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2020, together with the comparative unaudited figures for the corresponding period in 2019, as follows:

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2020
(with comparatives as at 31 December 2019)

	Notes	**(Unaudited) 30 June 2020 *HK$'000***	(Audited) 31 December 2019 *HK$'000*
ASSETS			
Non-current assets			
Investment properties	*4*	**3,267,500**	3,351,200
Investment in associates	*5*	**3,729,452**	3,811,900
Financial asset at fair value through profit or loss	*6*	**1,095**	1,116
Property, plant and equipment	*3*	**628,283**	631,807
Right-of-use assets	*7*	**19,450**	21,986
Restricted cash	*13*	**10,226**	10,226
Deferred tax assets		**105**	–
		7,656,111	7,828,235

* *For identification purpose only*

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

AS AT 30 JUNE 2020
(with comparatives as at 31 December 2019)

	Notes	(Unaudited) 30 June 2020 HK$'000	(Audited) 31 December 2019 HK$'000
Current assets			
Amount due from an intermediate holding company	9	**5,691**	–
Amounts due from associates	5	**113**	65
Prepayments, deposits and other receivables	11	**10,614**	16,848
Current tax recoverable		**36**	889
Accounts receivable	10	**4,659**	3,740
Cash and bank balances		**199,049**	182,255
		220,162	203,797
Total assets		**7,876,273**	8,032,032
LIABILITIES			
Non-current liabilities			
Loan from an intermediate holding company	12	**3,848,434**	3,848,434
Bank borrowings	13	**899,159**	897,285
Lease liabilities	15	**15,495**	17,952
Deferred income tax liabilities	18	**3,665**	3,610
Other payables and accrued liabilities	14	**319,989**	254,549
		5,086,742	5,021,830
Current liabilities			
Amount due to an intermediate holding company		**40**	–
Lease liabilities	15	**4,874**	4,712
Current income tax liabilities		**4,564**	3,591
Other payables and accrued liabilities	14	**40,983**	42,727
		50,461	51,030
Total liabilities		**5,137,203**	5,072,860
EQUITY			
Capital and reserves			
Share capital	16	**156,775**	156,775
Reserves		**2,582,295**	2,802,397
Total equity		**2,739,070**	2,959,172
Total equity and liabilities		**7,876,273**	8,032,032

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020
(with comparatives for the six months ended 30 June 2019)

		(Unaudited) For the six months ended 30 June	
		2020	2019
	Notes	***HK$'000***	*HK$'000*
Revenue	*2*	**67,932**	83,751
Other income		**58**	65
Depreciation	*3 and 7*	**(6,289)**	(10,012)
Other operating expenses		**(28,685)**	(36,824)
Fair value (loss)/gain on investment properties	*4*	**(84,570)**	196,658
Operating (loss)/profit		**(51,554)**	233,638
Net finance cost	*17*	**(82,690)**	(85,738)
Share of (losses)/profits of associates	*5*	**(82,448)**	341,445
(Loss)/profit before income tax		**(216,692)**	489,345
Income tax expense	*18*	**(3,059)**	(2,169)
(Loss)/profit for the period		**(219,751)**	487,176
Other comprehensive loss			
Item that may be/has been reclassified subsequently to profit or loss:			
Currency translation difference on consolidation		**(351)**	(70)
Other comprehensive loss for the period, net of tax		**(351)**	(70)
Total comprehensive (loss)/income for the period		**(220,102)**	487,106
(Loss)/profit attributable to:			
Shareholders of the Company		**(219,751)**	487,176
Total comprehensive (loss)/income attributable to:			
Shareholders of the Company		**(220,102)**	487,106

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2020
(with comparatives for the six months ended 30 June 2019)

	Notes	**(Unaudited) For the six months ended 30 June 2020**	2019
(Loss)/earnings per share	*19*		
Basic		**(HK14.02 cents)**	HK31.07 cents
Diluted		**(HK14.02 cents)**	HK31.07 cents
Dividends	*20*	**–**	–

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 2020 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 (the "**Stock Exchange**") ("**Listing Rules**").

The interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019, 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 of the Group for the year ended 31 December 2019.

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. Management are required to exercise significant estimates and judgments, which are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, in the selection and application of accounting principles. Please refer to Note 4 for details of the fair value of investment properties.

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 2019 except for the adoption of amendment to HKFRSs effective for the financial year ending 31 December 2020.

New and amended standards adopted by the Group

There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2020 and current reporting period:

(a) Definition of Material – amendments to HKAS 1 and HKAS 8
(b) Definition of a Business – amendments to HKFRS 3
(c) Revised Conceptual Framework for Financial Reporting

The adoption of these amendments did not have any material financial impact on the Group.

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 periods ended 30 June 2020 and 2019.

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**").

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 2019 and Note 1 above.

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 the six months ended 30 June 2020 and the six months ended 30 June 2019 consists of revenue from property investment and financial services segments. The revenue for the six months ended 30 June 2020 and 30 June 2019 were HK$67,932,000 and HK$83,751,000 respectively.

The segment information for the six months ended 30 June 2020 and 2019 is as follows:

(a) Reportable segment profit or loss

For the six months ended 30 June 2020

		(Unaudited)	
	Property investment	**Financial services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Revenue from external customers	**51,132**	**16,800**	**67,932**
Reportable segment net (loss)/profit	**(71,661)**	**2,661**	**(69,000)**

For the six months ended 30 June 2019

		(Unaudited)	
	Property investment	Financial services	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	60,056	23,695	83,751
Reportable segment net profit	215,224	3,693	218,917

2. REVENUE AND SEGMENT INFORMATION (continued)

(b) Reconciliation of reportable segment profit or loss

	(Unaudited) For the six months ended 30 June 2020 *HK$'000*	2019 *HK$'000*
Net (loss)/profit for reportable segments	**(69,000)**	218,917
Reconciling items:		
Share of (losses)/profits of associates under equity method of accounting	**(82,448)**	341,445
Finance cost for the acquisition of an associate *(Note)*	**(65,440)**	(65,081)
Other corporate and treasury activities	**(2,863)**	(8,105)
(Loss)/profit for the period	**(219,751)**	487,176

Note: The finance cost for the six months ended 30 June 2020 of HK$65,440,000 (30 June 2019: HK$65,081,000) 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 12 for details.

3. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment *HK$'000*	Office equipment *HK$'000*	Office furniture *HK$'000*	(Unaudited) Leasehold Improvement *HK$'000*	Buildings *HK$'000*	Vehicle *HK$'000*	Total *HK$'000*
Net book value at 1 January 2020	**8**	**1,132**	**659**	**3,918**	**625,552**	**538**	**631,807**
Additions	**–**	**–**	**–**	**293**	**–**	**–**	**293**
Impairment	**–**	**(64)**	**–**	**–**	**–**	**–**	**(64)**
Depreciation	**(2)**	**(130)**	**(61)**	**(339)**	**(3,149)**	**(72)**	**(3,753)**
Net book value at 30 June 2020	**6**	**938**	**598**	**3,872**	**622,403**	**466**	**628,283**
At 30 June 2020							
Cost	**2,139**	**2,398**	**1,105**	**8,831**	**629,750**	**717**	**644,940**
Accumulated depreciation	**(2,133)**	**(1,460)**	**(507)**	**(4,959)**	**(7,347)**	**(251)**	**(16,657)**
Net book value at 30 June 2020	**6**	**938**	**598**	**3,872**	**622,403**	**466**	**628,283**

	Computer equipment *HK$'000*	Office equipment *HK$'000*	Office furniture *HK$'000*	(Unaudited) Leasehold Improvement *HK$'000*	Buildings *HK$'000*	Vehicle *HK$'000*	Total *HK$'000*
Net book value at 1 January 2019	11	944	628	1,809	–	681	4,073
Additions	2	–	–	–	–	–	2
Reclassification *(Note (a))*	–	–	–	–	629,750	–	629,750
Depreciation	(2)	(127)	(58)	(767)	(1,050)	(72)	(2,076)
Net book value at 30 June 2019	11	817	570	1,042	628,700	609	631,749
At 30 June 2019							
Cost	2,139	1,968	956	4,801	629,750	717	640,331
Accumulated depreciation	(2,128)	(1,151)	(386)	(3,759)	(1,050)	(108)	(8,582)
Net book value at 30 June 2019	11	817	570	1,042	628,700	609	631,749

Note (a): On 1 May 2019, portions of 20th Floor and 21st Floor of Bank of America Tower together with a car parking space were reclassified from investment properties to property, plant and equipment in the condensed consolidated balance sheet as at 30 June 2019 as the owner occupies such portion of the properties as the Group's head office. For details, please refer to Note 4.

4. INVESTMENT PROPERTIES

	(Unaudited) **30 June** **2020** ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
At 1 January 2020/2019	**3,351,200**	3,791,800
Reclassification to property, plant and equipment *(Notes 3 and 4(a))*	**–**	(629,750)
Capitalised expenses	**870**	19,958
Fair value (loss)/gain *(Note 4(b))*	**(84,570)**	169,192
At 30 June 2020/31 December 2019	**3,267,500**	3,351,200

(a) On 8 March 2019, both of Sunny Bright Development Limited and Sunny Success Development Limited, being wholly-owned subsidiaries of the Company, which hold certain office units and car parking spaces of the Bank of America Tower as investment properties, had received letters of offer from China Great Wall AMC (International) Holdings Company Limited ("**Great Wall International**"), an intermediate holding company, which offered to rent portion of the above premises from 1 May 2019 to 31 December 2021. The remaining premises are used as owner-occupied properties starting from 1 May 2019 and are thus reclassified from investment properties to property, plant and equipment.

(b) The Group's investment properties were valued by an independent professional valuer, Savills Valuation and Professional Services Limited, (2019: Cushman & Wakefield Limited and Savills Valuation and Professional Services Limited) to determine their fair values as at 30 June 2020. The Group has adopted such valuation and recognised a fair value loss of HK$84,570,000 (30 June 2019: fair value gain of HK$196,658,000) 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 2019, except for the rental rates and capitalisation rates. Rental rates are estimated based on recent lettings of HK$34.3 psf* to HK$54.0 psf for retail shops (30 June 2019: HK$54.0 psf to HK$85.0 psf*), HK$3,326.0 per car parking space (30 June 2019: HK$3,326.0 per car parking space), HK$34.3 psf* to HK$105.0 psf for office buildings (30 June 2019: HK$33.7 psf* to HK$106.5 psf), and HK$10.0 psf to HK$29.5 psf for industrial properties (30 June 2019: HK$13.3 psf to HK$31.0 psf). With other variable(s) held constant, the lower the rents, the lower the fair value.

At 30 June 2020, capitalisation rates of 2.75% to 3.90% (at 30 June 2019: 2.50% to 3.75%) are used in the income capitalisation approach for retail shops, car parking spaces, office buildings and industrial properties. With other variable(s) held constant, the higher the rates, the lower the fair value.

The investment properties have been measured at fair value as at 30 June 2020, by the level 3 (30 June 2019: level 3) in the fair value hierarchy into which the fair value treatment is categorised. There is no transfer between levels of the fair value hierarchy used in measuring the fair value of the investment properties during the period.

* *Yue King Building consists of retail shop and office buildings. Retail shop portion and office buildings portion as at 30 June 2019 was valued separately and rental rates of HK$85.0 psf and HK$33.7 psf were adopted respectively ("**individual method**"). As at 30 June 2020, fair valuation of the retail shop portion and office building portion were measured under a combined method and a single rate of HK$34.3 psf was adopted ("**combined method**"). The fair values of Yue King Building as at 30 June 2019 and 30 June 2020 were HK$550 million and HK$520 million respectively. Management considered the change from individual method to combined method did not have material impact to the fair valuation of the properties.*

5. INVESTMENT IN ASSOCIATES

	(Unaudited) 30 June 2020 ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
At 1 January 2020/2019	**3,811,900**	3,405,706
Share of (losses)/profits of associates	**(82,448)**	427,393
Dividend from an associate	**–**	(7,474)
Repayment of loan from an associate	**–**	(13,725)
At 30 June 2020/31 December 2019	**3,729,452**	3,811,900

Summarised financial information for the principal associate

Set out below is the summarised financial information for Everwell City Limited ("**Everwell City**") as at 30 June 2020, 31 December 2019 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 2020 ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
Non-current assets	**25,818,528**	25,865,417
Current assets	**295,263**	275,969
Non-current liabilities	**(23,650,187)**	(23,548,603)
Current liabilities	**(410,509)**	(261,096)
	2,053,095	2,331,687

Summarised statement of comprehensive income

	(Unaudited) For the six months ended 30 June	
	2020 ***HK$'000***	2019 *HK$'000*
Revenue	**448,005**	463,047
(Loss)/profit and total comprehensive (loss)/income for the period	**(232,820)**	936,323

5. INVESTMENT IN ASSOCIATES (continued)

Reconciliation of summarised financial information

	(Unaudited) 30 June 2020 HK$'000	30 June 2019 HK$'000
Net (loss)/profit attributable to equity holders	**(232,820)**	957,216
Group's shareholdings *(Note (a))*	**35.78%**	35.78%
Group's share of net (loss)/profit attributable to equity holders *(Note (b))*	**(83,303)**	342,492

	(Unaudited) 30 June 2020 HK$'000	(Audited) 31 December 2019 HK$'000
Amounts due from associates	**113**	65

The balances represent the amounts due from Dymocks Franchise Systems (China) Limited 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,

As described in Note (a), 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 in Everwell City.

6. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 June 2020 *HK$'000*	(Audited) 31 December 2019 *HK$'000*
At market value		
Investment in fund, unlisted in the People's Republic of China	**1,095**	1,116

The above investment has been measured at fair value as at 30 June 2020, 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 an investment fund	**–**	**–**	**1,095**	**1,095**

There was no transfer between levels during the period ended 30 June 2020 and the year ended 31 December 2019.

The financial asset at fair value through profit or loss under level 3 (31 December 2019: 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.

As at 30 June 2020 and 31 December 2019, the Group contributed RMB1,000,000 to the limited partnership, which represents 0.03% of the equity interest in the limited partnership.

7. RIGHT-OF-USE ASSETS

The following represents the position of the Group's right-of-use assets and the movement during the periods:

	(Unaudited) 30 June 2020 *HK$'000*	(Audited) 31 December 2019 *HK$'000*
Balance as at 1 January 2020/2019	**21,986**	37,148
Depreciation	**(2,536)**	(15,162)
Balance as at 30 June 2020/31 December 2019	**19,450**	21,986

8. LOAN RECEIVABLE

As at 30 June 2019, the loan receivable of HK$115,903,000 represented the US$15 million second lien term loan with a maturity date on 22 January 2026. The loan receivable bore interest at London Interbank Offered Rate plus 8% per annum. The carrying value of the loan receivable approximated to its fair value. As at 31 December 2019, all the loan receivable has been repaid. In deriving the expected credit losses for the six months ended 30 June 2019, the Directors of the Company has exercised their judgements and consider various factors such as exposure amount at default, the probability of default, and loss given default. Expected credit losses of the loan receivable as at 30 June 2019 amounted to HK$796,000, which was recognised in the consolidated statement of comprehensive income for the six months ended 30 June 2019.

9. AMOUNT DUE FROM AN INTERMEDIATE HOLDING COMPANY

As at 30 June 2020, the amount due from an intermediate holding company of HK$5,691,000 represents mainly the asset management service fee receivable for the period ended 30 June 2020 from Great Wall International, an intermediate holding company.

10. ACCOUNTS RECEIVABLE

An ageing analysis of accounts receivable as at the end of the reporting period is as follows:

	(Unaudited)		(Audited)	
	30 June 2020		31 December 2019	
	Balance	**Percentage**	Balance	Percentage
	HK$'000	*%*	*HK$'000*	*%*
Current	**2,968**	**63.7**	2,227	59.5
Less than 30 days past due	**1,373**	**29.5**	918	24.6
31 to 60 days past due	**85**	**1.8**	319	8.5
61 to 90 days past due	**100**	**2.2**	200	5.4
Over 90 days past due	**133**	**2.8**	76	2.0
Total	**4,659**	**100.0**	3,740	100.0

Accounts receivable past due but not impaired represents balance that the Group considered to be fully recoverable based on the past experience.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 30 June 2020, the balance represents mainly utility and management fee deposits of HK$3,705,000 (31 December 2019: HK$3,625,000) and rent-free receivable of HK$5,288,000 (31 December 2019: HK5,452,000). There is no rental deposits as at 30 June 2020 (31 December 2019: HK$5,106,000).

12. LOAN FROM AN INTERMEDIATE HOLDING COMPANY

During the year ended 31 December 2017, an intermediate holding company, Great Wall International, had agreed to provide loan facilities up to HK$4,130,000,000 for financing the Group's investment in an associate as described in Note 5. As at 30 June 2020 and 31 December 2019, 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 year ended 31 December 2018, Great Wall International has further agreed to provide loan facilities up to US$8,557,300 (equivalent to approximately HK$66,576,000). As at 31 December 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% per annum and is repayable by February 2026. During the year ended 31 December 2019, the loan of US$8,557,300 (equivalent to HK$66,576,000) was fully repaid by the Group to Great Wall International as the loan receivable as mentioned in Note 8 was repaid by the debtor to the Group.

The Directors of the Company consider the loan is on normal commercial terms. The carrying values of the loan approximates the fair value.

13. BANK BORROWINGS

	(Unaudited) **30 June** **2020** ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
Non-current		
Bank loan *(Note (a))*	**899,159**	897,285
	899,159	897,285

Notes:

(a) *The loan is denominated in HK$ and repayable by 2021. The effective interest rate of the loan for the six months ended 30 June 2020 is 3.50% (for the six months ended 30 June 2019: 3.50%). As at 30 June 2020, the Group has undrawn bank facility of approximately HK$35,000,000 (31 December 2019: HK$35,000,000). As at 30 June 2020, the Group has pledged an investment property of fair value of HK$1,820,000,000 (31 December 2019: HK$1,832,000,000) and a restricted cash of HK$10,226,000 (31 December 2019: HK$10,226,000) to the lender, as a collateral of bank loan.*

(b) *During the year ended 31 December 2018, the Group has drawn down an US$ loan of US$6,400,000 which was equivalent to HK$49,792,000 and the loan was repayable on 1 February 2019. On 1 February 2019, the Group and the bank entered into a supplemental letter to extend the repayment term of the loan facility to 1 February 2020. During the six months ended 30 June 2019, the Group has repaid US$700,000 which is equivalent to HK$5,446,000. During the year ended 31 December 2019, the Group fully repaid the loan. The effective interest rate of the loan for the six months ended 30 June 2019 was 4.34%. As at 30 June 2020 and 31 December 2019, the Group has undrawn bank facility of HK$50,000,000.*

(c) *In addition to the undrawn bank facility mentioned in (a) and (b), as at 30 June 2020, the Group had an undrawn bank facility of principal amount of HK$400,000,000 (31 December 2019: HK$400,000,000).*

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

	(Unaudited) **30 June** **2020** ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
HK$	**899,159**	897,285
	899,159	897,285

14. OTHER PAYABLES AND ACCRUED LIABILITIES

	(Unaudited) 30 June 2020 ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
Interest payable	**320,801**	256,210
Deposits received from tenants	**18,865**	18,608
Other payables and accrued expenses	**16,910**	17,974
Rental received in advance	**3,814**	3,317
Others	**582**	1,167
	360,972	297,276
Represented by:		
Non-current portion	**319,989**	254,549
Current portion	**40,983**	42,727
	360,972	297,276

15. LEASE LIABILITIES

The following represents the positions of the Group's lease liabilities and the movement during the periods:

	(Unaudited) 30 June 2020 ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
Balance as at 1 January 2020/2019	**22,664**	34,868
Interest expenses	**373**	994
Lease payment	**(2,668)**	(13,198)
Balance as at 30 June 2020/31 December 2019	**20,369**	22,664
Represented by:		
Non-current portion	**15,495**	17,952
Current portion	**4,874**	4,712
	20,369	22,664

16. SHARE CAPITAL

	(Unaudited) 30 June 2020 Number of shares	(Unaudited) 30 June 2020 Amount *HK$'000*	(Audited) 31 December 2019 Number of shares	(Audited) 31 December 2019 Amount *HK$'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

17. NET FINANCE COST

	(Unaudited) For the six months ended 30 June **2020** *HK$'000*	2019 *HK$'000*
Finance cost/(income)		
– Interest expense on the loan from an intermediate holding company *(Note 12)*	**65,440**	66,236
– Interest expenses on bank loans *(Note 13)*	**15,065**	16,936
– Interest expenses on lease liabilities	**373**	592
– Arrangement fee	**2,091**	2,105
– Interest income from bank	**(279)**	(131)
	82,690	85,738

18. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at a rate of 16.5% (2019: 16.5%) on the estimated assessable profit for the period.

	(Unaudited) For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**2,993**	2,065
Deferred income tax		
Deferred tax expense	**66**	104
	3,059	2,169

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

	(Unaudited)	(Audited)
	2020	2019
	HK$'000	*HK$'000*
At 1 January	**3,610**	1,913
Charged to profit for the period/year	**55**	1,697
At 30 June/31 December	**3,665**	3,610

19. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to shareholders for the six months ended 30 June 2020 of HK$219,751,000 (profit attributable to shareholders for the six months ended 30 June 2019: HK$487,176,000), and the weighted average of 1,567,745,596 shares in issue (for the six months ended 30 June 2019: 1,567,745,596 shares in issue) during the period.

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares 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 2020 and 2019, there are no outstanding options to be exercised. Accordingly, there was no potential dilutive ordinary shares during the six months ended 30 June 2020 and 2019.

20. DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: Nil).

The Board had resolved not to recommend any payment of final dividend for the year ended 31 December 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS OF THE GROUP

The Group's consolidated operating results for the six months ended 30 June 2020 and 2019 were as follows:

(HK$ millions, except percentages and per share amounts)	**For the six months ended 30 June** **2020**	2019	% Change
Revenue	**67.9**	83.8	(19.0%)
Depreciation	**(6.3)**	(10.0)	(37.0%)
Other operating expenses	**(28.6)**	(36.8)	(22.3%)
Adjusted operating profit^	**33.0**	37.0	(10.8%)
Fair value (loss)/gain on investment properties	**(84.6)**	196.7	**
Operating (loss)/profit	**(51.6)**	233.7	**
Net finance cost	**(82.7)**	(85.7)	(3.5%)
Share of (losses)/profits of associates	**(82.4)**	341.4	**
(Loss)/profit before income tax	**(216.7)**	489.4	**
Income tax expense	**(3.0)**	(2.2)	36.4%
(Loss)/profit for the period	**(219.7)**	487.2	**
(Loss)/profit attributable to shareholders	**(219.7)**	487.2	**
(Loss)/earnings per share (HK cents)	**(14.0)**	31.1	**

^ *Adjusted operating profit is defined as operating profit before other income and fair value gain on investment properties.*

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

Loss attributable to shareholders for the six months ended 30 June 2020 amounted to HK$219.7 million, representing a decrease of 145.1% as compared with profit attributable to shareholders of HK$487.2 million for the six months ended 30 June 2019. Loss per share was HK14.0 cents for the six months ended 30 June 2020, based on weighted average of 1,567,745,596 shares in issue (earnings per share for the six months ended 30 June 2019: HK31.1 cents based on 1,567,745,596 shares in issue).

Excluding the revaluation loss of investment properties for the six months ended 30 June 2020 of HK$84.6 million (revaluation gain of investment properties for the six months ended 30 June 2019: HK$196.7 million), the loss attributable to shareholders for the six months ended 30 June 2020 was HK$135.1 million (the profit attributable to shareholders for the six months ended 30 June 2019: HK$290.5 million), representing a decrease of 146.5%. The swing from profit to loss was mainly due to the share of losses of associates of approximately HK$82.4 million for the six months ended 30 June 2020 (for the six months ended 30 June 2019: share of profits of associates of HK$341.4 million).

BUSINESS REVIEW

The Group principally engages in the operation of two segments, namely, the property investment segment and the financial services segment.

The Group has maintained a diversified investment property portfolio in Hong Kong which comprises Kwai Fong Plaza, certain floors of the Bank of America Tower in Central, Yue King Building in Causeway Bay, Ko Fai Industrial Building in Yau Tong and Seaview Estate in North Point. On the other hand, the Group has also participated in the investment in the JV Group (as defined below) which holds a diversified portfolio of properties in Hong Kong. Details of the said investment in the JV Group have been set out in the paragraph headed "share of (loss)/profit of an associate" in the section headed "Management Discussion and Analysis".

The borderless COVID-19 outbreak has ravaged the global economy and business activities. Coupled with the unrelenting trade disputes between China and the United States and the unsettled local social political events, the property market in Hong Kong, especially the commercial property market, has been double hit and far more challenging than any other time. To support our tenants, rental concessions were provided to individual tenants according to their circumstances. For the six months ended 30 June 2020, the Group's revenue decreased by 19.0% to HK$67.9 million and loss attributable to shareholders of HK$219.7 million was recorded (30 June 2019: profit attributable to shareholders of HK$487.2 million) due to the drastic deterioration in property market performance.

The outbreak of COVID-19 has also adversely affected the fair value of the investment properties held by the Group and its associate, which resulted in the recognition of a significant decrease in the fair value of the Group's investment properties of HK$84.6 million (30 June 2019: an increase of HK$196.7 million) and the share of losses of the Group's associates of HK$82.4 million (30 June 2019: share of profits of associates of HK$341.4 million). As a result of the adverse economic effects of the COVID-19, the level of estimation uncertainty and judgement for the fair valuation of investment properties has increased since 31 December 2019. At 30 June 2020, capitalisation rates range from 2.75% to 3.90% (at 31 December 2019: range from 2.50% to 3.75%) are used in the income capitalization approach for the investment properties which are owned by the Group. With other variable(s) held constant, the higher the rates, the lower the fair value. At 30 June 2020, rental rates of HK$10.0 psf to HK$105.0 psf and HK$3,326.0 per car parking space (at 31 December 2019: HK$13.3 psf to HK$100.5 psf and HK$3,326.0 per car parking space) are used for investment properties and car parking space respectively in the income capitalisation approach. With other variable(s) held constant, the lower the rental rates, the lower the fair value. Given the unknown future impact that COVID-19 might have on the real estate market, management will keep the valuation under frequent review.

Since the revaluation loss is non-cash in nature and the Group's investment properties and investment in the JV Group are held as long-term investments for stable and recurring rental income, the management considers that there is no material effect on the operating cash flow of the Group.

The Company expects that the impacts on the operating performance of relevant assets and businesses and the changes in the fair value of investment properties are temporary and the management believes the current epidemic and disputes will soon be resolved, and remains confident of the long-term economic prospects of Hong Kong. The Group will continue to leverage on the successful strategy in diversifying its portfolio of investment properties as outlined in our 2019 Annual Report and we are confident that it will continue to succeed in the future so as to generate sustainable return for our shareholders.

The Group also operates in the financial services segment which 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). Although the Group recorded a year-on-year decrease in the revenue generated from the financial services segment for the period ended 30 June 2020 given the volatile financial market in the second half of 2019 and first half of 2020, as more particularly discussed in the paragraph headed "Financial Services" below, the Group will continue to explore and seize opportunities to develop its financial services segment as outlined in our 2019 Annual Report.

FINANCIAL REVIEW BY OPERATING SEGMENTS

The Group's reportable and operating segments during the six months ended 30 June 2020 are as follows:

(a) property investment segment which comprises the investments in retail shops, office buildings, industrial buildings and car parking spaces for rental income; and

(b) financial services segment which comprises provision of asset management and corporate finance services (licensed by the SFC to carry out Types 1, 4, 6 and 9 regulated activities).

Property Investment

(HK$ millions, except percentages)	**For the six months ended 30 June** **2020**	2019	% Change
Revenue	**51.1**	60.1	(15.0%)
Adjusted EBITDA^	**29.5**	40.7	(27.5%)
Depreciation	**(5.7)**	(3.7)	54.1%
Adjusted operating profit	**23.8**	37.0	(35.7%)
Fair value (loss)/gain on investment properties and other income***	**(76.3)**	199.4	**
Net finance cost	**(17.4)**	(18.3)	(4.9%)
Income tax expense	**(1.8)**	(2.9)	(37.9%)
(Loss)/profit attributable to shareholders#	**(71.7)**	215.2	**

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

Including fair value loss on investment properties of HK$84.6 million for six months ended 30 June 2020 and fair value gain on investment properties of HK$196.7 million for six months ended 30 June 2019.

** Represents a change in excess of 100%.

*** Other income represents rental income earned by the Company's wholly-owned subsidiaries for leasing portions of 20th Floor and 21st Floor of Bank of America Tower to an intermediate holding company.

Revenue of property investment segment for the first half of 2020 was HK$51.1 million, compared with HK$60.1 million in the first half of 2019. The decrease is mainly due to the decrease in revenue generated from the outdoor billboards at the exterior wall of Yue King Building.

The loss attributable to shareholders from property investment segment was mainly due to the fair value loss on investment properties during the period. The adjusted operating profit decreased by approximately HK$13.2 million, which was mainly due to the decrease in revenue for the period.

As at the date of this announcement, the Group's diversified investment property portfolio in Hong Kong comprises Kwai Fong Plaza, certain floors of the Bank of America Tower in Central, Yue King Building in Causeway Bay (including the outdoor billboards at the exterior wall), Ko Fai Industrial Building in Yau Tong and Seaview Estate in North Point. Fair value loss on investment properties for the first half of 2020 was HK$84.6 million, compared with the fair value gain of HK$196.7 million in the first half of 2019.

The Group's investment properties were revalued as at 30 June 2020 by an independent professionally qualified valuer, Savills Valuation and Professional Services Limited (31 December 2019: Cushman & Wakefield Limited and Savills Valuation and Professional Services Limited), which holds a recognised relevant professional qualification and has 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, car parking spaces 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)	**2020**	2019	% Change
Revenue	**16.8**	23.7	(29.1%)
Adjusted EBITDA^	**4.0**	5.2	(23.1%)
Depreciation	**(0.2)**	(0.2)	–
Adjusted operating profit	**3.8**	5.0	(24.0%)
Net finance income/(cost)	**0.1**	(2.1)	**
Income tax (expense)/credit	**(1.2)**	0.8	**
Profit attributable to shareholders	**2.7**	3.7	(27.0%)

** 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 2020 was around HK$16.6 million (30 June 2019: HK$17.1 million, representing a decrease of 2.9%). The corporate finance services fees for the first half of 2020 were around HK$0.2 million (30 June 2019: HK$0.5 million, representing a decrease of 60%). There was no revenue from loan investment for the first half of 2020 (30 June 2019: HK$6.1 million, representing a decrease of 100%). The decrease of the financial services income was mainly due to the repayment of the loan investment receivable in 2019 and the decrease in the number of projects under corporate finance services as compared with the first half of 2019.

Significant Investment in relation to the Investment in an Associate and Share of (Loss)/ Profit of an Associate

Significant investment in an associate represents the Group's 35.78% equity interests in a joint venture, Everwell City Limited (together with its subsidiaries, collectively the "**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 initial investment was HK$3,123.4 million in 2018. The fair value of the investment is HK$3,723.6 million as at 30 June 2020 and represents around 47.3% of the total assets of the Group as at 30 June 2020. The Group's share of loss of an associate from JV Group was approximately HK$83.3 million for the first half of 2020 (share of profits for the first half of 2019: HK$342.5 million). The share of loss of an associate of the Group for the six months ended 30 June 2020 is mainly due to the fair value losses on revaluations of the investment properties of the JV Group (which comprise of commercial properties), attributable to the unprecedented adverse market condition caused by the outbreak of COVID-19 pandemic in the first half of 2020. The Group presently intends to hold the above-mentioned equity interests in the JV Group as long-term investment.

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 2020 and 31 December 2019 were as follows:

(HK$ millions, except percentages)	**30 June 2020**	31 December 2019	% Change
Cash and bank balances	**199.0**	182.3	9.2%
Shareholders' funds	**2,739.1**	2,959.2	(7.4%)
Current ratio	**4.36**	3.99	9.2%
Gearing ratio	**62.4%**	60.7%	2.9%

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 2020, the Group had total cash and bank balances of approximately HK$199.0 million, as compared to HK$182.3 million as at 31 December 2019. The Group's gearing ratio as at 30 June 2020 was 62.4% (as at 31 December 2019: 60.7%), being calculated as total debts (which includes the loan from an intermediate holding company and bank borrowings) less cash and bank balances ("**net debt**"), over the Company's total capital employed. Total capital employed is equivalent to the sum of net debt and shareholders' funds. As at 30 June 2020, the Group had outstanding principal of unsecured shareholder loans of HK$3,848.4 million (as at 31 December 2019: HK$3,848.4 million). As at 30 June 2020, the Group has undrawn bank facility of approximately HK$485.0 million (as at 31 December 2019: HK$485.0 million), and the Group had outstanding bank borrowings of approximately HK$899.2 million as at 30 June 2020 (as at 31 December 2019: HK$897.3 million). 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 2020 and 2019, 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 2020, an investment property of the Group with fair value of approximately HK$1,820.0 million and restricted cash of HK$10.2 million (as at 31 December 2019: investment property with fair value of approximately HK$1,832.0 million and restricted cash of HK$10.2 million) 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 2020 was HK$36.6 million, compared with net cash generated from operating activities of HK$28.9 million for the six months ended 30 June 2019. The increase in operating cash flows was mainly due to decrease in prepayments, deposits and other receivables in the six months ended 30 June 2020.

Investing Activities

Net cash used in investing activities for the six months ended 30 June 2020 was HK$0.9 million, compared with net cash generated of HK$0.2 million for the six months ended 30 June 2019. The net cash used in investing activities for the six months ended 30 June 2020 of HK$0.9 million was mainly due to the capitalised expenses for investment properties of HK$0.9 million. The net cash generated from investing activities for the six months ended 30 June 2019 was HK$0.2 million as cash used in the addition of investment properties of HK$7.0 million was offset by the cash generated from dividend income from an associate of HK$7.5 million.

Financing Activities

Net cash used in financing activities for the six months ended 30 June 2020 was HK$18.8 million compared with net cash used of HK$28.1 million for the six months ended 30 June 2019. The increase in financing cash flows is mainly due to an interest of HK$15.7 million paid and bank borrowings of HK$5.4 million repaid during the six months ended 30 June 2019, while an interest of HK$16.1 million was paid during the six months ended 30 June 2020.

Employees and Remuneration Policy

As at 30 June 2020, the Group had a total of 20 employees (as at 30 June 2019: 15 employees). 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 and voluntary 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 2020 (for the six months ended 30 June 2019: Nil).

Outlook

The COVID-19 pandemic's socio-economic impact is being experienced not just in Hong Kong, but also across the world. Numerous uncertainties arising from the unrelenting trade disputes between China and the United States coupled with the unsettled local social political events and the outbreak of the COVID-19 have dampened the investment sentiment in the financial market and further deepened market concerns about the economic prospects, which have presented us with unprecedented severe challenges. Nonetheless, the overall financial and business positions of the Group remain healthy.

To cope with such challenges, the Board and management of the Company will fully leverage on the competitive edges of the Group to drive the performance of core businesses at a steady pace and will also actively seize investment opportunities prudently and thoroughly in order to generate favourable returns for our shareholders while maintaining strong cash position.

The Company is of the view that the impacts on the operating performance of relevant assets and businesses and the estimation of changes in the fair value of investment properties are temporary, and the management believes the current epidemic and disputes will soon be resolved, and remains confident of the long-term economic prospects of Hong Kong.

Looking ahead, in the complicated and constantly-changing macro-economic environment with fierce competition, the Group will seize the development opportunities arising from the China's Guangdong-Hong Kong-Macao Greater Bay Area strategic plan and further strengthen the synergy effect by leveraging on the substantial resources from China Great Wall Asset Management Co., Ltd. ("**GWAMCC**"), our controlling shareholder, through the integration of domestic and foreign capital markets, and aggressively expanding its domestic business, to ensure the Group can make full use of its role as the sole overseas listed platform of GWAMCC.

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 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 2020, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), save for the deviation from code provision E.1.2 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 E.1.2

Code provision E.1.2 of the Corporate Governance Code provides that, among others, the chairman of the board should attend the annual general meeting. With the COVID-19 pandemic and in light of the regulations introduced by the government of the Hong Kong Special Administrative Region, Mr. Chen Zenan, the Chairman of the Board, did not attend the Annual General Meeting of the Company held on 18 June 2020 (the "**AGM**"). In order to ensure an effective communication with the shareholders of the Company, the Directors attending the AGM elected Mr. Meng Xuefeng, an executive Director and Deputy Chief Executive Officer, to chair the AGM on behalf of the Chairman pursuant to the Company's Bye-Laws to answer relevant questions from the shareholders present thereat. The external auditor of the Company, Messrs. PricewaterhouseCoopers, also attended the AGM.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee was established in 1998 with its defined written terms of reference (which was revised in August 2018). The Audit Committee currently comprises two independent non-executive Directors, namely Ms. Liu Yan (Chairlady of the Audit Committee) and Dr. Song Ming, and a non-executive Director, Mr. Chen Zenan. A majority of the Audit Committee members are independent non-executive Directors, with Ms. Liu Yan 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 2020 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 2020 were also reviewed by the Group's external auditor, 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 2020 Interim Report to be sent to the shareholders of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was established in 2000 with its defined written terms of reference (which was revised in March 2017). 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 in 2005 with its defined written terms of reference (which was revised in March 2017). A majority of its members are independent non-executive Directors. The Nomination Committee currently comprises a non-executive Director, Mr. Chen Zenan (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 2020 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 2020, 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 AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gwpaholdings.com). The Interim Report of the Company for the six months ended 30 June 2020 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
CHEN Zenan
Chairman

Hong Kong, 28 August 2020

As at the date of this announcement, the Board consists of Mr. Huang Hu and Mr. Meng Xuefeng as executive Directors of the Company, Mr. Chen Zenan and Ms. Lv Jia as non-executive Directors of the Company, and Dr. Song Ming, Dr. Sun Mingchun and Ms. Liu Yan as independent non-executive Directors of the Company.

* *For identification purpose only*