



Century Legend (Holdings) Limited
世紀建業(集團)有限公司*

Stock Code : 00079



2015 Interim Report

* For identification purposes only



SECTION A: CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. TSANG Chiu Mo Samuel

(Executive Chairman)

Mr. TSANG Chiu Ching *(Deputy Chairman)*

Ms. TSANG Chiu Yuen Sylvia

Ms. CHU Ming Tak Evans Tania

Independent Non-executive Directors

Mr. HUI Yan Kit

Mr. WONG Tak Ming Gary

Mr. AU Chi Wai Edward

AUDIT COMMITTEE

Mr. WONG Tak Ming Gary *(Chairman)*

Mr. HUI Yan Kit

Mr. AU Chi Wai Edward

REMUNERATION COMMITTEE

Mr. HUI Yan Kit *(Chairman)*

Mr. AU Chi Wai Edward

Ms. CHU Ming Tak Evans Tania

NOMINATION COMMITTEE

Mr. AU Chi Wai Edward *(Chairman)*

Mr. WONG Tak Ming Gary

Ms. CHU Ming Tak Evans Tania

COMPANY SECRETARY

Ms. SZE Tak On

LEGAL ADVISERS

Tso Au Yim & Yeung Solicitors

AUDITORS

BDO Limited

BANKERS

The Bank of East Asia, Limited

Hang Seng Bank Limited

OCBC Wing Hang Bank Limited

China Construction Bank (Asia)

Corporation Limited

Bank of Communications Company Limited

SHARE REGISTRARS

Principal Share Registrars

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM08

Bermuda

Hong Kong Branch Share Registrars and Transfer Office

Boardroom Share Registrars (HK) Limited

31st Floor, 148 Electric Road

North Point

Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street

Hamilton, HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 906, 9th Floor, AXA Centre

151 Gloucester Road

Wanchai

Hong Kong

COMPANY WEBSITE

<http://www.clh.com.hk>

STOCK CODE

00079



SECTION B: INTERIM RESULTS

The board of directors (the “Board”) of Century Legend (Holdings) Limited (the “Company”) is hereby to present the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015. The unaudited consolidated results have been reviewed by the Audit Committee of the Company.

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Revenue		18,903	15,841
Cost of sales		<u>(5,224)</u>	<u>(4,492)</u>
Gross profit		13,679	11,349
Other income		3,660	3,321
Fair value gain/(loss) on financial assets at fair value through profit or loss		879	(48)
Fair value gain on investment properties		3,500	3,800
Administrative expenses		(15,169)	(20,337)
Finance costs		<u>(2,455)</u>	<u>(2,371)</u>
Profit/(Loss) before income tax	3	4,094	(4,286)
Income tax expense	4	–	(216)
Profit/(Loss) for the period		<u>4,094</u>	<u>(4,502)</u>
Other comprehensive income <i>Item that may be reclassified subsequently to profit or loss</i>			
Revaluation of available-for-sale financial assets		<u>1,830</u>	<u>(1,449)</u>
Other comprehensive income for the period		<u>1,830</u>	<u>(1,449)</u>
Total comprehensive income for the period		<u>5,924</u>	<u>(5,951)</u>

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Profit/(Loss) for the period attributable to:			
Owners of the Company		3,582	(4,839)
Non-controlling interests		512	337
		<u>4,094</u>	<u>(4,502)</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		5,412	(6,288)
Non-controlling interests		512	337
		<u>5,924</u>	<u>(5,951)</u>
Earnings/(Loss) per share attributable to the owners of the Company			
	6		
– Basic		<u>HK1.17 cents</u>	<u>HK(1.59) cents</u>
– Diluted		<u>HK1.09 cents</u>	<u>N/A</u>

The notes on pages 8 to 18 form part of this interim financial report.



II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

		As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	7	3,510	3,367
Investment properties	8	313,400	309,900
Prepaid land lease payments	9	3,762	3,823
Available-for-sale financial assets	10	22,754	20,924
Loan receivables	11	29,097	29,800
		<u>372,523</u>	<u>367,814</u>
Current assets			
Inventories		58	53
Prepaid land lease payments	9	123	123
Financial assets at fair value through profit or loss		6,424	5,693
Trade and other receivables and prepayments	12	19,847	14,358
Loan receivables	11	1,400	2,389
Trust bank balances held on behalf of customers		1,583	6,086
Pledged bank deposits		121,115	121,212
Cash and bank balances	13	147,710	157,262
		<u>298,260</u>	<u>307,176</u>
Current liabilities			
Trade payables	14	6,341	8,986
Other payables and accruals		7,158	14,026
Obligations under finance leases		233	121
Bank borrowings (secured)		248,416	249,481
		<u>262,148</u>	<u>272,614</u>
Net current assets		<u>36,112</u>	<u>34,562</u>

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2015

	<i>Notes</i>	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Total assets less current liabilities		408,635	402,376
Non-current liabilities			
Obligations under finance leases		425	90
Deferred tax liabilities		3,001	3,001
		3,426	3,091
Net assets		405,209	399,285
EQUITY			
Share capital	15	61,328	61,328
Reserves		340,245	334,833
Equity attributable to the owners of the Company		401,573	396,161
Non-controlling interests		3,636	3,124
Total equity		405,209	399,285

The notes on pages 8 to 18 form part of this interim financial report.

III. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015 (Unaudited)

	Equity attributable to the Owners of the Company							Non-Controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Revaluation reserve HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 January 2015	61,328	150,918	146,189	6,899	2,945	27,882	396,161	3,124	399,285
Profit for the period	-	-	-	-	-	3,582	3,582	512	4,094
Other comprehensive income									
Revaluation of available-for-sale financial assets	-	-	-	1,830	-	-	1,830	-	1,830
Total comprehensive income for the period	-	-	-	1,830	-	3,582	5,412	512	5,924
At 30 June 2015	61,328	150,918	146,189	8,729	2,945	31,464	401,573	3,636	405,209

For the six months ended 30 June 2014 (Unaudited)

	Equity attributable to the Owners of the Company							Non-Controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Revaluation reserve HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 January 2014	60,722	149,619	146,189	6,549	2,945	13,393	379,417	2,504	381,921
Share option granted	-	-	-	-	550	-	550	-	550
Transaction with owners	-	-	-	-	550	-	550	-	550
Loss for the period	-	-	-	-	-	(4,839)	(4,839)	337	(4,502)
Other comprehensive income									
Revaluation of available-for-sale financial assets	-	-	-	(1,449)	-	-	(1,449)	-	(1,449)
Total comprehensive income for the period	-	-	-	(1,449)	-	(4,839)	(6,288)	337	(5,951)
At 30 June 2014	60,722	149,619	146,189	5,100	3,495	8,554	373,679	2,841	376,520

The notes on pages 8 to 18 form part of this interim financial report.

IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 June 2015*

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(9,626)	(12,246)
Net cash (used in)/generated from investing activities	(1,343)	9,029
Net cash (used in)/generated from financing activities	(3,073)	25,750
	<u> </u>	<u> </u>
Net (decrease)/increase in cash and cash equivalents	(14,042)	22,533
Cash and cash equivalents at 1 January	52,478	46,146
	<u> </u>	<u> </u>
Cash and cash equivalents at 30 June	38,436	68,679
	<u> </u>	<u> </u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances as stated in condensed consolidated statement of financial position	147,710	147,310
Less: short term deposits with maturity beyond three months but within one year	(109,274)	(78,631)
	<u> </u>	<u> </u>
Cash and cash equivalents at 30 June	38,436	68,679
	<u> </u>	<u> </u>

The notes on pages 8 to 18 form part of this interim financial report.



V. NOTES TO THE INTERIM FINANCIAL REPORT

For the six months ended 30 June 2015

1. Basis of preparation and principal accounting policies

(a) *Basis of preparation*

This unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2014.

(b) *Principal accounting policies*

The unaudited condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values.

The unaudited condensed consolidated interim financial statements has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2014, except as described below.

(c) *Adoption of new or revised standards*

In the current interim period, the Group has applied, for the first time, all of the new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated interim financial statements:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above new or revised HKFRSs has had no material effect on the Group’s financial statements.

(d) *New or revised standards that are not yet effective and have not been early adopted by the Group*

The new standards and amendments to standards, potentially relevant to the Group’s financial statements, have been issued, but not yet effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group. The Group is in the process of making an assessment of the potential impact of these new or revised standards.

2. Segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors, the chief operating decision-makers, are determined following the Group's major product and service lines. The Group is currently organised into the following four operating segments.

Property investments	–	Investing in commercial and residential properties for its rental income potential and for capital appreciation in both Macau and Hong Kong
Hair styling	–	Provision of hair styling and related services in Hong Kong
Stock broking	–	Provision of stock broking services in Hong Kong
Money lending	–	Provision of commercial and personal loans in Hong Kong

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Segment revenue		Segment profit/(loss)	
	Six months ended 30 June			
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Property investments	7,195	5,430	3,140	(1,559)
Hair styling	8,910	7,883	1,214	834
Stock broking	2,077	1,633	438	212
Money lending	721	895	460	636
	<u>18,903</u>	<u>15,841</u>	<u>5,252</u>	<u>123</u>
Unallocated other income			2,003	1,172
Fair value gain/(loss) on financial assets at fair value through profit or loss			879	(48)
Corporate staff costs			(1,791)	(1,772)
Other corporate and unallocated expenses			(2,249)	(3,761)
Profit/(Loss) before income tax			<u>4,094</u>	<u>(4,286)</u>

Revenue reported above represented revenue generated from external customers.

Segment profit/(loss) represents the profit/(loss) earned/incurred by each segment without allocation of central administration costs. Segment results exclude certain interest income, dividend income and fair value gain/(loss) on financial assets at fair value through profit or loss which arise from assets which are managed on a group basis. Segment results also exclude corporate staff costs and corporate expenses. This is the measure reported to executive directors for the purposes of resource allocation and assessment of segment performance.

2. Segment information (Continued)

Segment assets and liabilities

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Segment assets		
Property investments	328,138	322,406
Hair styling	4,044	3,160
Stock broking	25,238	27,452
Money lending	30,716	32,971
	<u>388,136</u>	<u>385,989</u>
Total segment assets	388,136	385,989
Available-for-sale financial assets	22,754	20,924
Financial assets at fair value through profit or loss	6,424	5,693
Pledged bank deposits	121,115	121,212
Short-term bank deposits	119,274	133,991
Other corporate and unallocated assets	13,080	7,181
	<u>670,783</u>	<u>674,990</u>
Consolidated total assets	670,783	674,990
Segment liabilities		
Property investments	56,129	62,426
Hair styling	1,321	1,461
Stock broking	6,540	9,279
Money lending	50	82
	<u>64,040</u>	<u>73,248</u>
Total segment liabilities	64,040	73,248
Deferred tax liabilities	3,001	3,001
Bank borrowings	198,000	198,000
Other corporate and unallocated liabilities	533	1,456
	<u>265,574</u>	<u>275,705</u>
Consolidated total liabilities	265,574	275,705

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets and available-for-sale financial assets, financial assets at fair value through profit or loss, certain short-term bank deposits and pledged bank deposits which are managed on group basis; and
- all liabilities are allocated to reportable segments other than deferred tax liabilities and certain bank borrowings which are managed on group basis, and corporate liabilities.

2. Segment information (Continued)

Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
					Six months ended 30 June					
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Property investments	1,596	2,134	3,500	3,800	2,448	2,371	1	-	159	300
Hair styling	-	-	-	-	-	-	5	-	62	64
Stock broking	236	289	-	-	-	-	4	6	17	25
Money lending	721	896	-	-	-	-	-	-	-	-
	<u>2,553</u>	<u>3,319</u>	<u>3,500</u>	<u>3,800</u>	<u>2,448</u>	<u>2,371</u>	<u>10</u>	<u>6</u>	<u>238</u>	<u>389</u>
Unallocated	1,814	1,016	-	-	7	-	534	1	225	193
Total	<u>4,367</u>	<u>4,335</u>	<u>3,500</u>	<u>3,800</u>	<u>2,455</u>	<u>2,371</u>	<u>544</u>	<u>7</u>	<u>463</u>	<u>582</u>

Geographical information

The geographical location of the specified non-current assets (i.e. non-current assets excluding financial assets) is based on the physical location of the assets. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

The following is an analysis of the carrying amount of the specified non-current assets and revenue from external customers, analysed by the geographical location.

	Specified non-current assets		Revenue from external customers	
	As at 30 June 2015	As at 31 December 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (domicile)	259,263	255,581	16,032	14,599
Macau	61,409	61,509	2,871	1,242
	<u>320,672</u>	<u>317,090</u>	<u>18,903</u>	<u>15,841</u>

3. Profit/(Loss) before income tax

Profit/(Loss) before income tax is arrived at after charging/(crediting) the following:

	Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
(a) Finance costs		
Interest on borrowings	2,440	2,364
Other finance costs	15	7
	<u>2,455</u>	<u>2,371</u>
Total finance costs recognized in profit or loss		
(b) Other items		
Fair value (gain)/loss on financial assets at fair value through profit or loss	(879)	48
Depreciation and amortisation	463	582
	<u>463</u>	<u>582</u>

4. Income tax expense

No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profit for the six months ended 30 June 2015 and 2014.

The Group has available tax losses as at 31 December 2014 for offsetting against future profits. No deferred tax assets have been recognised as the directors consider that it is uncertain that they will crystallize in the foreseeable future.

Pursuant to the tax rules and regulations of Macau, the subsidiaries in Macau are liable to Macau profits tax at the rate of 12% for the six months ended 2014. No provision for Macau profits tax has been made for the six months ended 30 June 2015.

5. Dividends

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

6. Earnings/(Loss) per share attributable to the owners of the Company

The calculation of basic earnings/(loss) per share attributable to the owners of the Company for the period is based on the profit attributable to the Company's owner of HK\$3,582,000 (six months ended 30 June 2014: loss of HK\$4,839,000) and the weighted average of 306,641,597 (six months ended 30 June 2014: 303,609,597) shares in issue during the six-month period.

For the six months ended 30 June 2015, the calculation of diluted earnings per share is based on the profit attributable to the equity shareholders of HK\$3,582,000 and the weighted average number of 329,824,946 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

For the six months ended 30 June 2014, diluted loss per share amount was not presented because the impact of the exercise of the share options was anti-dilutive.

7. Property, plant and equipment

(a) Acquisitions of property, plant and equipment

During the six months ended 30 June 2015, the Group acquired items of property, plant and machinery with a cost of HK\$544,000 (six months ended 30 June 2014: HK\$7,000).

(b) Write-off of property, plant and equipment

There is no property, plant and equipment being written off during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

8. Investment properties

There is no acquisition of investment property for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil). The valuation techniques are the same as those used in carrying out the valuation on investment properties of the Group as at 31 December 2014.

9. Prepaid land lease payments

There is no acquisition of prepaid land lease payment for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

10. Available-for-sale financial assets

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Listed equity investments in Hong Kong, at fair value	<u>22,754</u>	<u>20,924</u>

11. Loan receivables

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Gross loan receivables – unsecured	32,203	32,895
– secured	–	1,000
Less: Provision for impairment	<u>(1,706)</u>	<u>(1,706)</u>
Net carrying amounts	30,497	32,189
Less: Amounts due within one year	<u>(1,400)</u>	<u>(2,389)</u>
Amounts due after one year	<u>29,097</u>	<u>29,800</u>

11. Loan receivables (Continued)

The repayment terms of loan receivables are negotiated on an individual basis. The maturity profile of loan receivables (net of provision for impairment), which is analysed by the remaining periods to their contractual maturity dates, is as follows:

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Three months or less	248	247
Over three months but less than one year	1,152	2,142
In one to two years	20,022	2,413
Over two years	9,075	27,387
	<u>30,497</u>	<u>32,189</u>

12. Trade and other receivables and prepayments

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Trade receivables	13,517	10,208
Less: Provision for impairment	<u>(281)</u>	<u>(281)</u>
Trade receivables, net	13,236	9,927
Other receivables and deposits	6,611	4,431
	<u>19,847</u>	<u>14,358</u>

The Group's trade receivables as at 30 June 2015 mainly represent the receivable balances in respect of the Group's stock broking business. The Group allows a credit period up to the settlement dates of their respective transactions (normally two business days after the respective trade dates) except for margin client receivables which are repayable on demand.

12. Trade and other receivables and prepayments (Continued)

The majority of the Group's revenue is on cash basis. The remaining balances of revenue are on credit terms of thirty-sixty days. At 30 June 2015, the ageing analysis of the trade receivables, net of provision for impairment, is as follows:

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Repayable on demand – margin receivables	6,973	7,254
0-30 days	5,385	2,446
31-60 days	591	42
61-90 days	287	–
Over 90 days	–	185
	<u>13,236</u>	<u>9,927</u>

13. Cash and bank balances

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Cash at banks and in hand	23,404	23,271
Short-term bank deposits	<u>124,306</u>	<u>133,991</u>
Cash and bank balances	<u>147,710</u>	<u>157,262</u>

14. Trade Payables

As at 30 June 2015, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Repayable on demand – Trust bank balances		
for funds placed by customers	1,415	5,919
0-30 days	4,872	3,026
31-60 days	<u>54</u>	<u>41</u>
	<u>6,341</u>	<u>8,986</u>

15. Share capital

	Number of shares 30 June 2015 (Unaudited) And 31 December 2014 (Audited) '000	Share Capital 30 June 2015 (Unaudited) And 31 December 2014 (Audited) HK\$'000
Authorised:		
Ordinary shares of HK\$0.2 each	2,000,000	400,000
Issued and fully paid:		
Ordinary shares of HK\$0.2 each	306,642	61,328

16. Operating lease commitments

At 30 June 2015, the total future aggregate minimum lease payments under non-cancellable operating leases falling due as follows:

	Buildings		Motor vehicles	
	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Within one year	2,325	3,309	225	–
In the second to fifth year (inclusive)	46	779	–	–
	<u>2,371</u>	<u>4,088</u>	<u>225</u>	<u>–</u>

The Group leases certain of its office premises, equipment and motor vehicles under operating leases. The leases run for an initial period of one to five years, with options to renew the lease terms at the expiry dates or at dates as mutually agreed between the Group and the respective landlords/lessors. None of the leases include contingent rentals.

17. Related party transactions

In addition to the transactions and balances disclosed elsewhere in the interim financial report, the Group had the following significant transactions with related parties:

Compensation of key management personnel

Included in staff costs are key management personnel compensation and comprises the following categories:

	30 June 2015 (Unaudited) HK\$'000	30 June 2014 (Unaudited) HK\$'000
Short term employee benefits	6,106	5,578
Post-employment benefits	<u>119</u>	<u>114</u>
	<u>6,225</u>	<u>5,692</u>

18. Fair value measurements

The following table presents financial assets measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial assets are categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

18. Fair value measurements (Continued)

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Group			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
As 30 June 2015				
Financial assets at fair value				
through profit or loss	6,424	-	-	6,424
Available-for-sale financial assets	<u>22,754</u>	<u>-</u>	<u>-</u>	<u>22,754</u>
Net fair values	<u>29,178</u>	<u>-</u>	<u>-</u>	<u>29,178</u>

	Group			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
As 31 December 2014				
Financial assets at fair value				
through profit or loss	5,693	-	-	5,693
Available-for-sale financial assets	<u>20,924</u>	<u>-</u>	<u>-</u>	<u>20,924</u>
Net fair values	<u>26,617</u>	<u>-</u>	<u>-</u>	<u>26,617</u>

There have been no transfers between level 1 and level 2 in the reporting period.

SECTION C: BUSINESS REVIEW AND PROSPECTS

I. OVERALL PERFORMANCE

Global economic performance has been weaker than expected so far this year despite continuous support from central banks around the world. Major economies such as the United States, the Euro Zone and Japan continue to struggle against a backdrop of geopolitical uncertainties around the world such as those in the Middle East. As a global financial centre, Hong Kong's economic performance is inevitably affected.

The Greek debt crisis and slow down of Chinese economy have caused export growth decelerate markedly. Hong Kong's gross domestic product in the first quarter of 2015 recorded 2.1% growth, down 0.3 percentage point quarter-on-quarter. Retail sales continued to underperform and the retail sector in the short term remains vulnerable to unfavorable external factors rippling through the market, including not only changing Mainland Chinese consumer habits away from luxury consumer goods as impacted by the government's anti-graft campaign but also the recent implementation of a tariff reduction policy on certain fast moving and low cost consumer goods in Mainland China. Both international and Hong Kong based retailers no doubt would be negatively impacted through reduced demand for affected items. Hong Kong's economic growth in the latter half of the year would have to rely on the domestic sector as the key propeller.

For the six months ended 30 June 2015, the Group recorded a turnover of HK\$18,903,000, representing a 19.3% increase from the corresponding period of last year (1H2014: HK\$15,841,000). Gross profit for the period under review was HK\$13,679,000, representing a 20.5% increase from the corresponding period of last year (1H2014: HK\$11,349,000). The boost in income from investment properties and hair styling business had brought on the notable 20% increment in the Group's turnover and gross profit.

The Group delivered a net profit of HK\$4,094,000 compared to a net loss of HK\$4,502,000 from the corresponding period of last year. The turnaround was mainly attributed to decrease in unrealized exchange loss of HK\$5,164,000 derived from bank deposits denominated in RMB as at 30 June 2015, increase in rental income from investment properties of HK\$1,765,000 and increase in service income from hair styling business of HK\$1,027,000. Before the fair value gain on investment properties and unrealized exchange loss, the Group incurred loss of HK\$105,000 versus HK\$2,737,000 the same period last year.

II. PROPERTY INVESTMENT BUSINESS

In Hong Kong we saw significant drop in retail sales and unresolved public dispute and social movements over the future political system. Despite this setting, property prices have been standing at high levels leading to the Hong Kong government imposing stricter property mortgage loan requirements in February 2015 in an effort to cool down property prices. Barring any unforeseen circumstances, we expect property prices would remain high until land supply has caught up with the demand and which is likely to take some years despite the government's emphasis and effort. The Group has benefited from such market sentiment and with the same property investment portfolio, the Group recorded rental increment for new tenancies as well as revaluation gain on investment properties.

During the first half of 2015, our properties portfolio in Macau and Hong Kong contributed desirable rental income of HK\$7,195,000 (1H2014: HK\$5,430,000) to the Group while fair value of our investment properties increased HK\$3,500,000, all of which was derived from the residential properties as of 30 June 2015. All investment properties are anticipated to provide steady capital appreciation and remain to serve as a stable income base to the Group.

The core business of the Group focuses on property investment and development in Hong Kong and Macau. Our strategy for generating and preserving shareholder value is to invest in properties that offer attractive returns. Whilst the Group has always maintained a prudent and conservative approach towards property investment, the management will keep watch of prevailing market changes and make appropriate strategic adjustments to the Group's assets portfolio should the opportunities arise in order to realize returns of the shareholders.

III. HAIR STYLING BUSINESS

Hair styling business continues to be a stable contributor to the revenue of the Group. For the first half of 2015, the Hair styling business segment reported a turnover of HK\$8,910,000 representing a 13% increase when compared to the corresponding period last year. Segment net profit for the period is HK\$1,214,000 representing 45.6% increase when compared to that of the same period in 2014.

New joined stylist and manicurist from June 2014 boosted this segment's turnover and net profit in the reviewing period compared to the corresponding period the year before prior to the recruitment. To keep our competitive edge, management team will further step up its effort in enhancing operational efficiency and cost structure as well as exploring new service and marketing strategies and means to attract talents in the industry.

The Group has always strived to be a responsible corporate citizen and fulfill the corporate responsibilities. On consecutive years "Headquarters", our hair salon, has been recognized as a "Caring Company" and awarded "ERB Manpower Developer – SME Award" and "Hong Kong Outstanding Corporate Citizenship Logo" from the Hong Kong Productivity Council.

IV. OTHER BUSINESS SEGMENTS

During the first half of 2015, the stock broking business segment recorded a turnover and segment profit of HK\$2,077,000 and HK\$438,000, which had increased 27.2% and 106.6% respectively over the same period last year. The management will continue to monitor the credit control and adopt stringent cost control measures to improve the business performance. In the remaining year, the management believes the global security market will be exposed to great volatility and uncertainty and locally, the potential impacts of recent stock market swings on local economic sentiments also need to be monitored.

Money lending business contributed a turnover of HK\$721,000 during the first six months of 2015, decreased 19.4% compared to the same period last year. The segment recorded a profit of HK\$460,000 compared to a profit of HK\$636,000 same period last year. The decrease was mainly attributed to repayment of loan from a long term customer as the loan period expired in January 2015. This business segment continues to increase our return on surplus cash in the low interest environment.

V. PROSPECTS

The overall economic conditions of both Hong Kong and Macau in the first half of 2015 were far from satisfactory, due to a number of separate factors. In Hong Kong, some conflicts emerged in the process of amalgamation and integration between Mainland China and the territory, and certain factions upholding a so-called “localism” ideology has risen to prominence among the general public, which has resulted in a drastic fall in number of Mainland visitors. This has also caused collateral damage to Macau as a large part of Mainland travellers to Hong Kong would make their trips by joining certain Hong Kong-Macau tour packages, therefore the decrease in Mainland visitors to Hong Kong has also affected the tourism in Macau. In addition, Macau economy has been hard hit by ongoing anti-corruption policy implemented by the Mainland China authority, with significantly less inbound travellers with extravagantly strong spending power from China, leading to a slide in the overall expenditure from tourists visiting Macau.

Looking ahead into the second half of this year, with the reduced number of inbound travellers from the Mainland, compounded with the surprise move of a substantial devaluation in Renminbi in August, overall business activities and sentiments in Hong Kong and Macau are likely to suffer blows in various extents. As for the properties owned by the Group, some tenants have already voiced out their requests for lowering the rental rates. Having taken into account the current situation of the economy, and in view of our amicable long-term relationships with these tenants, we intend to actively engage them into negotiation on goodwill and a realistic manner, and use our best endeavour to come up with solutions that are acceptable to all parties. Under our current assessment, full year performance of the Group is set to fall short of expectation. Nevertheless, thanks to the longstanding underlying policy of stringent cost control as well as the prudent and conservative principles in capital and investment management adopted by the Group, our overall financial position has remained sound and solid.

It is our hope that different sections from the society of Hong Kong can join hands and tackle with issues arising from the integration between Mainland and Hong Kong with concerted effort and in a pragmatic and constructive attitude to alleviate the discontent towards the Mainland influence and smoothen the relationship between the two neighbours. On the other hand, Hong Kong will be required to re-evaluate its competitiveness in tourism, which is in need of being strengthened by implementing more effective promotional campaigns, exploring and diversifying the source of travellers, introducing new tourist attractions and sightseeing spots, and enhancing the service quality, so that the quantity and quality of the inbound travellers may be revived. In Macau, it is envisaged that revenue contributed by the casino and gaming sector will not be able to return to its previous historic high for a prolonged period. Yet this may prove to be an opportune time for the territory to actually focus and make some real efforts on the initiative to diversifying her economic structure and industry mix, so that the structure of Macau economy, which has long been in excessive reliance on a single industry, could be rationalized and be reasonably transformed into a more diversified structure, so that Macau may resurge with stronger resistance against adversity and enhanced competitive strengths.



SECTION D: FINANCIAL REVIEW

I. LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the Group had a cash and bank balance including pledged bank deposit of HK\$268,825,000 and net current assets of HK\$36,112,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2015 was approximately 1.14 (31 December 2014: 1.13). The Group maintained a good working capital position during the reviewing period.

The sales and purchase of the Group are mainly denominated in Hong Kong dollars. The Group has significant portion of RMB bank deposit which is exposed to the RMB exchange rate fluctuation in view of the recent RMB exchange rate fluctuation. The Directors consider that in long run the RMB exchange rate will be stable. Other than this the Group's exposure to fluctuations in exchange rates was minimal.

During the period under review, the Group's certain investment properties and certain bank deposits were pledged to banks to secure the bank borrowing of approximately HK\$248,416,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. Neither the Company nor the Group had any significant contingent liabilities as at 30 June 2015 (31 December 2014: Nil). The Group had no significant capital commitments as at 30 June 2015 (31 December 2014: Nil). There were no material acquisitions and disposals during the period under review.

II. CAPITAL STRUCTURE OF THE GROUP

During the period under review, the Group had total equity of HK\$405,209,000, HK\$658,000 fixed rate liability, HK\$248,416,000 floating rate liability and HK\$16,500,000 interest-free liabilities, representing 0.2%, 61.3% and 4.1% of the Group's total equity respectively. The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 30 June 2015 was approximately 0.10% (31 December 2014: 0.02%).

III. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015.

SECTION E: EMPLOYEE AND REMUNERATION POLICY

For the period ended, the Group employed approximately a total of 39 employees (30 June 2014: 40) with staff costs excluding directors' emoluments amounted to HK\$4,835,000 (30 June 2014: HK\$4,338,000).

The Group's emoluments policies are formulated on the performance of individuals and are competitive to the market. Employee remuneration is reviewed and determined by management annually based on both employees' individual and Group's overall performance. Under the share option scheme of the Company, options may be granted to the directors and employees of the Group to subscribe for the shares of the Company.

SHARE OPTION SCHEME

The share option scheme was adopted on 22 May 2009 at the 2009 annual general meeting of the Company. The purpose of the scheme is to provide incentives to participants to contribute to the Group and/or to enable the Group to recruit and/or to retain high-calibre employees and attract human resources that are valuable to the Group. The share option scheme shall be valid and effective for a period of ten years commencing on the adoption date i.e. 22 May 2009 and will expire on 21 May 2019. Details of the principal terms of the share option scheme were contained in the Company's circular dated 20 April 2009.

The following table sets out movements of the Company's share options held by directors and employee:

Name of participant	Date of grant (Note 1)	Validity period	Exercise price per Share HK\$	Number of share options					Outstanding at 31 December 2014 and 30 June 2015
				Outstanding at 1 January 2014	Granted during the year ended 31 December 2014	Exercised during the year ended 31 December 2014 (Note 2)	Lapsed during the year ended 31 December 2014	Cancelled during the year ended 31 December 2014	
Directors:									
Ms. Chiu Ming Tak Evans Tania	22 May 2009	22 May 2009 to 21 May 2019	0.310	8,930,087	-	-	-	-	8,930,087
Ms. Tsang Chiu Yuen Sylvia	23 April 2014	23 April 2014 to 22 April 2024	0.451	-	3,032,000	(3,032,000)	-	-	-
Sub-total				8,930,087	3,032,000	(3,032,000)	-	-	8,930,087
Employee:									
Ms. Sze Tak On	22 May 2009	22 May 2009 to 21 May 2019	0.310	7,441,739	-	-	-	-	7,441,739
Sub-total				7,441,739	-	-	-	-	7,441,739
Total				16,371,826	3,032,000	(3,032,000)	-	-	16,371,826

Note1: The closing prices per share immediately before 22 May 2009 and 23 April 2014 (the date on which the share options were granted) were HK\$0.35 and HK\$0.44 respectively.

Note2: The weighted average closing price of these shares immediately before the date on which the relevant share options were exercised is HK\$0.52.

No share option has been granted, exercised or lapsed during the six months ended 30 June 2015.

All outstanding share options were exercisable as at 30 June 2015.



SECTION F: CORPORATE GOVERNANCE

I. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

As at 30 June 2015, the interests and short positions of each of the Directors and Chief Executives of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long position in shares and share options of the Company

Name of Director	Nature of interest	Name of company in which ordinary shares/ securities are held	Number of ordinary shares/ securities held	Approximate percentage of total shareholding	Number of share options
Mr. TSANG Chiu Ching	Beneficial interest	The Company	749,250	0.24%	
	Interest of controlled corporate	The Company	19,329,195 (Note 1 and 3)	6.30%	
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	28.79%	
Mr. TSANG Chiu Mo Samuel	Interest of controlled corporate	The Company	19,329,195 (Note 1 & 3)	6.30%	
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	28.79%	
Ms. TSANG Chiu Yuen Sylvia	Interest of controlled corporate	The Company	19,329,195 (Note 1 & 3)	6.30%	
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	28.79%	
Ms. CHU Ming Tak Evans Tania	Beneficial interest			2.91%	8,930,087 (Note 4)

Notes:

1. These shares were beneficially owned by Barsmark Investments Limited.
2. These shares were beneficially owned by ST (79) Investment Limited.
3. The issued share capital of Barsmark Investments Limited and ST (79) Investment Limited are both wholly and beneficially owned by ST Investments Holding Limited ("ST Investments"), the issued share capital of which is beneficially owned to one-third by each of Fortune Ocean Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Ching), Conba Investments Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Mo Samuel) and Ssky Investments Limited (a company wholly and beneficially owned by Ms. TSANG Chiu Yuen Sylvia). Mr. TSANG Chiu Ching, Mr. TSANG Chiu Mo Samuel and Ms. TSANG Chiu Yuen Sylvia are directors of Barsmark Investments Limited, ST (79) Investment Limited and ST Investments. Mr. TSANG Chiu Ching is a director of Fortune Ocean Limited. Mr. TSANG Chiu Mo Samuel is a director of Conba Investments Limited. Ms. TSANG Chiu Yuen Sylvia is a director of Ssky Investments Limited.

4. Details of the interests of the Directors in the share options of the Company are separately disclosed in the section headed "Share Option Scheme" above.

Save as disclosed above, none of the Directors and Chief Executives (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

II. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 June 2015, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Long position in shares

Name of shareholder	Nature of interest	Number of shares held	Approximate Percentage of total shareholding
Barsmark Investments Limited <i>(Note 1)</i>	Beneficial interest	19,329,195	6.30%
ST (79) Investment Limited <i>(Note 1)</i>	Beneficial interest	88,275,577	28.79%
ST Investments Holding Limited <i>(Note 1)</i>	Interest of controlled corporation	107,604,772 <i>(Note 2)</i>	35.09%
Conba Investments Ltd. <i>(Note 1)</i>	Interest of controlled corporation	107,604,772 <i>(Note 2)</i>	35.09%

Name of shareholder	Nature of interest	Number of shares held	Approximate Percentage of total shareholding
Ssky Investments Limited (<i>Note 1</i>)	Interest of controlled corporation	107,604,772 (<i>Note 2</i>)	35.09%
Fortune Ocean Limited (<i>Note 1</i>)	Interest of controlled corporation	107,604,772 (<i>Note 2</i>)	35.09%
Szeto Investments Holdings (Amusement) Limited (<i>Note 3</i>)	Beneficial interest	50,996,250	16.63%
Szeto Investments Holdings Ltd. (<i>Note 3</i>)	Interest of controlled corporation	50,996,250	16.63%
Szeto International Holdings Ltd. (<i>Note 3</i>)	Interest of controlled corporation	50,996,250	16.63%
Ms. SZETO Yuk Lin (<i>Note 3</i>)	Interest of controlled corporation	50,996,250	16.63%

Note:

1. Barsmark Investments Limited and ST (79) Investment Limited are both wholly and beneficially owned by ST Investments Holding Limited, the issued share capital of which is beneficially owned as to one-third by each of (i) Conba Investments Ltd. (a company wholly and beneficially owned by Mr. TSANG Chiu Mo Samuel); (ii) Fortune Ocean Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Ching); and (iii) Ssky Investments Limited (a company wholly and beneficially owned by Ms. TSANG Chiu Yuen Sylvia).
2. These shares represent the aggregate number of shares beneficially owned by Barsmark Investments Limited and ST (79) Investment Limited.
3. Szeto Investments Holdings (Amusement) Limited is wholly-owned by Szeto Investments Holdings Ltd., the issued share capital of which is wholly-owned by Szeto International Holdings Ltd. Ms. SZETO Yuk Lin is wholly and beneficially interested in the entire issued share capital of Szeto International Holdings Ltd.

Save as disclosed above, the Company has not been notified by any person (other than a Director or Chief Executive of the Company) who had interest or short position in the shares or underlying shares of the Company as at 30 June 2015 which were recorded in the register required to be kept under Section 336 of the SFO or notified to the Company.



III. PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

IV. COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

The Company has complied with the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules (the "Code") during the period under review, save for the deviations set out below.

As at 30 June 2015, Mr. TSANG Chiu Mo Samuel is the Executive Chairman of the Company and no Chief Executive Officer has been appointed. The responsibilities of Chief Executive Officer have been carried out by Mr. TSANG Chiu Mo Samuel. The Board believes that it is in the best interest of the Company and the shareholders as a whole for Mr. TSANG Chiu Mo Samuel, who is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board in an effective manner, to continue to carry out the responsibilities of Chief Executive Officer, which ensures on the effectiveness and efficiency of the decision making process of the Board.

V. AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the six months ended 30 June 2015 with the directors.

VI. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2015.

By Order of the Board
CHU MING TAK EVANS TANIA
Executive Director

Hong Kong, 26 August 2015