



2016

INTERIM REPORT



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

Stock Code : 00079

* 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

AUDITOR

BDO Limited

BANKERS

The Bank of East Asia, Limited
 Hang Seng 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 2016. 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 2016

	Notes	Six months ended 30 June	
		2016 (Unaudited) HK\$'000	2015 (Unaudited) (Represented) HK\$'000
Continuing operations			
Revenue	2	13,237	16,826
Cost of sales		(4,516)	(4,678)
Gross profit		8,721	12,148
Other income		4,562	3,651
Fair value (loss)/gain on financial assets at fair value through profit or loss		(215)	879
Fair value gain on investment properties		–	3,500
Gain on disposal of a subsidiary	5	5,854	–
Administrative expenses		(19,807)	(14,067)
Finance costs		(2,427)	(2,455)
(Loss)/Profit before income tax	3	(3,312)	3,656
Income tax expense	4	–	–
(Loss)/Profit for the period from continuing operations		(3,312)	3,656
Discontinued operation			
Profit for the period from discontinued operation	5	116	438
(Loss)/Profit for the period		(3,196)	4,094
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Revaluation of available-for-sale financial assets		(1,685)	1,830
Other comprehensive income for the period		(1,685)	1,830
Total comprehensive income for the period		(4,881)	5,924

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) (Represented) HK\$'000
Notes		
(Loss)/Profit for the period attributable to owners of the Company:		
– from continuing operations	(3,592)	3,144
– from discontinued operation	<u>116</u>	<u>438</u>
	<u>(3,476)</u>	<u>3,582</u>
Profit for the period attributable to non-controlling interests	<u>280</u>	<u>512</u>
(Loss)/Profit for the period	<u>(3,196)</u>	<u>4,094</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	(5,161)	5,412
Non-controlling interests	<u>280</u>	<u>512</u>
	<u>(4,881)</u>	<u>5,924</u>
(Loss)/Earnings per share attributable to the owners of the Company		
From continuing and discontinued operations		
– Basic	<u>HK (1.12) cents</u>	<u>HK 1.17 cents</u>
From continuing operations		
– Basic	<u>HK (1.16) cents</u>	<u>HK 1.03 cents</u>
From continuing and discontinued operations		
– Diluted	<u>HK (1.12) cents</u>	<u>HK 1.09 cents</u>
From continuing operations		
– Diluted	<u>HK (1.16) cents</u>	<u>HK 0.95 cents</u>

The notes on pages 8 to 21 form part of this interim financial report.

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	3,143	3,169
Investment properties	9	313,400	313,400
Prepaid land lease payments	10	3,638	3,700
Available-for-sale financial assets	11	16,444	18,129
Loans receivable	12	18,431	36,987
		<u>355,056</u>	<u>375,385</u>
Current assets			
Inventories		50	53
Prepaid land lease payments	10	123	123
Financial assets at fair value through profit or loss		4,608	4,896
Trade and other receivables and prepayments	13	9,756	13,717
Loans receivable	12	19,543	1,943
Trust bank balances held on behalf of customers		–	11,318
Pledged bank deposits		117,629	118,736
Cash and bank balances	14	125,262	131,977
		<u>276,971</u>	<u>282,763</u>
Current liabilities			
Trade payables	15	85	14,025
Other payables and accruals		5,708	11,746
Obligations under finance leases		152	203
Bank borrowings (secured)		246,285	247,351
Tax payable		103	103
		<u>252,333</u>	<u>273,428</u>
Net current assets		<u>24,638</u>	<u>9,335</u>

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2016

	<i>Notes</i>	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Total assets less current liabilities		379,694	384,720
Non-current liabilities			
Obligations under finance leases		273	338
Deferred tax liabilities		3,303	3,303
		3,576	3,641
Net assets		376,118	381,079
EQUITY			
Share capital		61,941	61,941
Reserves	16	310,176	315,325
Equity attributable to the owners of the Company		372,117	377,266
Non-controlling interests		4,001	3,813
Total equity		376,118	381,079

The notes on pages 8 to 21 form part of this interim financial report.

III. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016 (Unaudited)

	Equity attributable to the owners of the Company							Non-Controlling interests	Total
	Share capital	Share premium	Capital reserve	Revaluation reserve	Share option reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2016	61,941	153,481	146,189	3,960	2,945	8,750	377,266	3,813	381,079
Loss for the period	-	-	-	-	-	(3,476)	(3,476)	280	(3,196)
Other comprehensive income									
Revaluation of available-for-sale financial assets	-	-	-	(1,685)	-	-	(1,685)	-	(1,685)
Total comprehensive income for the period	-	-	-	(1,685)	-	(3,476)	(5,161)	280	(4,881)
Changes in non-controlling interests in a subsidiary	-	-	-	-	-	12	12	(92)	(80)
At 30 June 2016	61,941	153,481	146,189	2,275	2,945	5,286	372,117	4,001	376,118

For the six months ended 30 June 2015 (Unaudited)

	Equity attributable to the owners of the Company							Non-Controlling interests	Total
	Share capital	Share premium	Capital reserve	Revaluation reserve	Share option reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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

The notes on pages 8 to 21 form part of this interim financial report.

IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Net cash used in operating activities	(14,266)	(9,626)
Net cash generated from/(used in) investing activities	13,373	(1,343)
Net cash generated used in financing activities	(3,610)	(3,073)
Net increase/(decrease) in cash and cash equivalents	(4,503)	(14,042)
Cash and cash equivalents at 1 January	33,328	52,478
Cash and cash equivalents at 30 June	28,825	38,436
Analysis of the balances of cash and cash equivalents		
Cash and bank balances as stated in condensed consolidated statement of financial position	125,262	147,710
Less: short term deposits with maturity beyond three months but within one year	(96,437)	(109,274)
Cash and cash equivalents at 30 June	28,825	38,436

The notes on pages 8 to 21 form part of this interim financial report.

V. NOTES TO THE INTERIM FINANCIAL REPORT

For the six months ended 30 June 2016

1. Basis of preparation and principal accounting policies

(a) *General information*

Century Legend (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. The Company is principally engaged in investment holding. The principal activities of its subsidiaries are property investments, operation of a hair salon under the brand name of “Headquarters”, provision of commercial and personal loans.

The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. The unaudited condensed consolidated financial statements were approved and authorised for issue by the directors on 25th August 2016.

(b) *Basis of preparation*

This unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016 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 2015.

During the six months ended 30 June 2016, the Company disposed of its entire equity interest in Century Legend Securities Limited, which was a wholly-owned subsidiary of the Company principally engaged in provision of stock broking services in Hong Kong and is included in the operating segment of stock broking. This segment has been presented as discontinued operation in accordance with HKFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”. Accordingly, certain comparative figures in the condensed consolidated statement of comprehensive income and the related notes have been represented so as to reflect the results of the continuing operations and discontinued operation. Details of the discontinued operation are set out in note 5.

(c) *Principal accounting policies*

The unaudited condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair value.

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 2015, except as described below.

1. Basis of preparation and principal accounting policies (Continued)

(d) 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 1	Disclosure Initiative
Amendments to HKAS 27	Equity method in Separate Financial Statements
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

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

(e) 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 2016 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. Revenue and 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 has identified the following reportable segments for its operating segments.

Continuing operations

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
Money lending	–	Provision of commercial and personal loans in Hong Kong

Discontinued operation

Stock broking	–	Provision of stock broking services in Hong Kong
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During the period under review, the Group disposed its wholly-owned subsidiary, Century Legend Securities Limited, which is principally engaged in the provision of stock broking services in Hong Kong and is included in the segments of stock broking. The segment of stock broking has been presented under the discontinued operation.

2. Revenue and segment information (Continued)

Segment revenues and results

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

	Segment revenue		Segment (loss)/profit	
	Six months ended 30 June			
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Represented)		(Represented)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations				
Property investments	3,900	7,195	(3,523)	3,237
Hair styling	8,519	8,910	790	1,214
Money lending	818	721	624	460
	<u>13,237</u>	<u>16,826</u>	<u>(2,109)</u>	<u>4,911</u>
Unallocated other income			2,015	2,003
Exchange losses, net			(4,993)	(185)
Fair value (loss)/gain on financial assets at fair value through profit or loss			(215)	879
Gain on disposal of a subsidiary			5,854	–
Corporate staff costs			(1,981)	(1,791)
Other corporate and unallocated expenses			<u>(1,883)</u>	<u>(2,161)</u>
(Loss)/Profit before income tax			<u>(3,312)</u>	<u>3,656</u>

Revenue reported above represented revenue generated from external customers.

Segment results represents the loss incurred/profit earned by each segment without allocation of central administration costs. Segment results exclude certain interest income, dividend income, exchange losses and fair value change on financial instruments which arise from assets which are managed on a group basis and gain on disposal of a subsidiary. 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. Revenue and segment information (Continued)

Segment assets and liabilities

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Unaudited) (Represented) HK\$'000
Segment assets		
Continuing operations		
Property investments	326,275	324,468
Hair styling	5,247	5,139
Money lending	38,401	39,265
	<u>369,923</u>	<u>368,872</u>
Discontinued operation		
Stock broking	-	31,987
	<u>-</u>	<u>31,987</u>
Total segment assets	<u>369,923</u>	<u>400,859</u>
Available-for-sale financial assets	16,444	18,129
Financial assets at fair value through profit or loss	4,608	4,896
Pledged bank deposits	117,629	118,736
Short-term bank deposits	111,137	107,621
Other corporate and unallocated assets	12,286	7,907
	<u>632,027</u>	<u>658,148</u>
Consolidated total assets		
Segment liabilities		
Continuing operations		
Property investments	51,638	58,086
Hair styling	1,432	1,813
Money lending	48	82
	<u>53,118</u>	<u>59,981</u>
Discontinued operation		
Stock broking	-	14,299
	<u>-</u>	<u>14,299</u>
Total segment liabilities	<u>53,118</u>	<u>74,280</u>
Deferred tax liabilities	3,303	3,303
Bank borrowings	198,000	198,000
Other corporate and unallocated liabilities	1,488	1,486
	<u>255,909</u>	<u>277,069</u>
Consolidated total liabilities	<u>255,909</u>	<u>277,069</u>

2. Revenue and segment information (Continued)

Segment assets and liabilities (Continued)

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.

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					
	2016 (Unaudited)	2015 (Unaudited) (Represented)	2016 (Unaudited)	2015 (Unaudited) (Represented)	2016 (Unaudited)	2015 (Unaudited) (Represented)	2016 (Unaudited)	2015 (Unaudited) (Represented)	2016 (Unaudited)	2015 (Unaudited) (Represented)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations										
Property investments	2,505	1,596	-	3,500	2,419	2,448	1	1	120	159
Hair styling	-	-	-	-	-	-	268	5	42	62
Money lending	817	721	-	-	-	-	-	-	-	-
	<u>3,322</u>	<u>2,317</u>	<u>-</u>	<u>3,500</u>	<u>2,419</u>	<u>2,448</u>	<u>269</u>	<u>6</u>	<u>162</u>	<u>221</u>
Discontinued operation										
Stock broking	74	236	-	-	-	-	-	4	7	17
Unallocated	1,884	1,814	-	-	8	7	-	534	151	225
	<u>1,958</u>	<u>2,050</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>7</u>	<u>-</u>	<u>538</u>	<u>158</u>	<u>242</u>
Total	<u>5,280</u>	<u>4,367</u>	<u>-</u>	<u>3,500</u>	<u>2,427</u>	<u>2,455</u>	<u>269</u>	<u>544</u>	<u>320</u>	<u>463</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.

2. Revenue and segment information (Continued)
Geographical information (Continued)

	Specified non-current assets		Revenue from external customers	
	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Unaudited) (Represented) HK\$'000	Six months ended 30 June 2016 (Unaudited) HK\$'000	2015 (Unaudited) (Represented) HK\$'000
Continuing operations				
Hong Kong (domicile)	258,964	258,913	11,386	13,955
Macau	61,217	61,313	1,851	2,871
	<u>320,181</u>	<u>320,226</u>	<u>13,237</u>	<u>16,826</u>
Discontinued operation				
Hong Kong (domicile)	–	43	378	2,077
	<u>320,181</u>	<u>320,269</u>	<u>13,615</u>	<u>18,903</u>

3. (Loss)/Profit before income tax

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

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) (Represented) HK\$'000
Continuing operations		
(a) Finance costs		
Interest on borrowings	2,412	2,440
Other finance costs	15	15
	<u>2,427</u>	<u>2,455</u>
Total finance costs recognised in profit or loss		
(b) Other items		
Fair value loss/(gain) on financial assets at fair value through profit or loss	215	(879)
Depreciation and amortisation	313	446
	<u>313</u>	<u>446</u>

4. Income tax expense

No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profit in Hong Kong for the six months ended 30 June 2016 and 2015.

The Group has available tax losses as at 31 December 2015 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%. No provision for Macau profits tax has been made for the six months ended 30 June 2016 and 2015.

5. Discontinued operation

On 16 November 2015, the Group entered into a conditional sales and purchase agreement with an independent third party, Po Lee Capital Limited in respect of the disposal of its 100% equity interest in Century Legend Securities Limited (the "Disposal"). The major conditions as stipulated in the agreement were not yet fulfilled as of 31 December 2015.

On 23 March 2016, the Disposal was completed. The consideration for the Disposal is HK\$23,598,000. Century Legend Securities Limited is principally engaged in the provision of stock broking services in Hong Kong.

The results of the discontinued operation included in the profit for the interim period are set out below.

Profit for the period from discontinued operation

	Period from 1 January 2016 to 23 March 2016 (Unaudited) HK\$'000	Six months ended 30 June 2015 (Unaudited) HK\$'000
Revenue	378	2,077
Cost of sales	<u>(54)</u>	<u>(546)</u>
Gross profit	324	1,531
Other income	281	9
Administrative expenses	<u>(489)</u>	<u>(1,102)</u>
Profit before income tax	116	438
Income tax expense	<u>-</u>	<u>-</u>
Profit for the period	<u>116</u>	<u>438</u>

5. Discontinued operation (Continued)

Cash flows from discontinued operations

	Period from 1 January 2016 to 23 March 2016 (Unaudited) HK\$'000	Six months ended 30 June 2015 (Unaudited) HK\$'000
Net cash (used in)/generated from operating activities	(1,262)	426
Net cash used in investing activities	<u>-</u>	<u>(4)</u>
Net cash (outflows)/inflows	<u>(1,262)</u>	<u>422</u>

The assets and liabilities of Century Legend Securities Limited derecognised at the date of disposal were as follows:

	HK\$'000
Non-current assets	
Property, plant and equipment	<u>36</u>
Current assets	
Trade and other receivables and prepayments	6,784
Trust bank balances held on behalf of customers	4,664
Cash and bank balances	<u>11,326</u>
	<u>22,774</u>
Current liabilities	
Trade payables	4,987
Other payables and accruals	180
Amount due to a subsidiary	<u>45</u>
	<u>5,212</u>
Net assets disposed of	<u>17,598</u>

5. Discontinued operation (Continued)*Gain on disposal of a subsidiary*

	HK\$'000
Consideration received	23,598
Net assets disposed of	(17,598)
Transaction costs of the disposal	<u>(146)</u>
Gain on the disposal before income tax	<u>5,854</u>

Net cash inflow from disposal of a subsidiary

	HK\$'000
Consideration received	23,598
Less: Cash and cash equivalent balances disposed of	<u>(11,326)</u>
	<u>12,272</u>

6. Dividend

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

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

The calculation of basic (loss)/earnings per share attributable to the owners of the Company from continuing and discontinued operations for the period is based on the loss attributable to the owners of the Company of HK\$3,476,000 (six months ended 30 June 2015: profit of HK\$3,582,000) and the weighted average of 309,705,597 (six months ended 30 June 2015: 306,641,597) shares in issue during the six-month period.

The calculation of basic (loss)/earnings per share attributable to the owners of the Company from continuing operations for the period is based on the loss attributable to the owners of the Company of HK\$3,592,000 (six months ended 30 June 2015: profit of HK\$3,144,000) and the weighted average of 309,705,597 (six months ended 30 June 2015: 306,641,597) shares in issue during the six-month period.

For the six months ended 30 June 2016, diluted loss per share amount is same as basic loss per share because the impact of the exercise of the share options was anti-dilutive.

For the six months ended 30 June 2015, the calculation of diluted earnings per share from continuing and discontinued operations is based on the profit attributable to the owners of the Company 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 2015, the calculation of diluted earnings per share from continuing operations is based on the profit attributable to the owners of the Company of HK\$3,144,000 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.

8. Property, plant and equipment

(a) Acquisitions of property, plant and equipment

During the six months ended 30 June 2016, the Group acquired items of property, plant and machinery with a cost of HK\$269,000 (six months ended 30 June 2015: HK\$544,000).

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

Property, plant and equipment with a net book value of HK\$300 were written off during the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

9. Investment properties

There is no acquisition of investment property for the six months ended 30 June 2016 (six months ended 30 June 2015: 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 2015.

10. Prepaid land lease payments

There is no acquisition of prepaid land lease payment for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

11. Available-for-sale financial assets

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Listed equity investments in Hong Kong, at fair value	<u>16,444</u>	<u>18,129</u>

12. Loans receivable

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Gross loans receivable – unsecured (<i>Note</i>)	38,974	39,930
Less: Provision for impairment	<u>(1,000)</u>	<u>(1,000)</u>
Net carrying amount	37,974	38,930
Less: Amounts due within one year	<u>(19,543)</u>	<u>(1,943)</u>
Amounts due after one year	<u>18,431</u>	<u>36,987</u>

12. Loans receivable (Continued)

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

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Three months or less	617	581
Over three months but less than one year	18,926	1,362
In one to two years	9,431	27,787
Over two years	9,000	9,200
	<u>37,974</u>	<u>38,930</u>

13. Trade and other receivables and prepayments

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Trade receivables	457	8,367
Less: Provision for impairment	-	(281)
	<u>457</u>	<u>8,086</u>
Trade receivables, net	457	8,086
Other receivables and deposits	9,299	5,631
	<u>9,756</u>	<u>13,717</u>

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 2016, the ageing analysis of the trade receivables is as follows:

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Repayable on demand – margin receivables	-	6,942
0-30 days	80	527
31-60 days	2	22
61-90 days	-	35
Over 90 days	375	560
	<u>457</u>	<u>8,086</u>

14. Cash and bank balances

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Cash at banks and in hand	14,125	24,356
Short-term bank deposits	<u>111,137</u>	<u>107,621</u>
Cash and bank balances	<u>125,262</u>	<u>131,977</u>

15. Trade Payables

As at 30 June 2016, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Repayable on demand – Trust bank balances for funds placed by customers	–	11,315
0-30 days	42	2,678
31-60 days	<u>43</u>	<u>32</u>
	<u>85</u>	<u>14,025</u>

16. Share capital

	Number of shares 30 June 2016 (Unaudited) And 31 December 2015 (Audited) '000	Share Capital 30 June 2016 (Unaudited) And 31 December 2015 (Audited) HK\$'000
Authorised:		
Ordinary shares of HK\$0.2 each	<u>2,000,000</u>	<u>400,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.2 each	<u>309,706</u>	<u>61,941</u>

17. Operating lease commitments

At 30 June 2016, the total future aggregate minimum lease payments under non-cancellable operating leases falling due as follows:

	Buildings		Motor vehicles	
	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Within one year	3,718	2,310	225	–
In the second to fifth year (inclusive)	4,219	3,047	–	–
	<u>7,937</u>	<u>5,357</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. None of the leases include contingent rentals.

18. 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 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) (Represented) HK\$'000
Continuing operations		
Short term employee benefits	5,978	5,711
Post-employment benefits	100	98
	<u>6,078</u>	<u>5,809</u>
Discontinued operation		
Short term employee benefits	145	395
Post-employment benefits	9	21
	<u>154</u>	<u>416</u>
	<u>6,232</u>	<u>6,225</u>

19. 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.

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 2016

Financial assets at fair value

through profit or loss	4,608	-	-	4,608
Available-for-sale financial assets	<u>16,444</u>	<u>-</u>	<u>-</u>	<u>16,444</u>
Net fair values	<u>21,052</u>	<u>-</u>	<u>-</u>	<u>21,052</u>

	Group			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	

As 31 December 2015

Financial assets at fair value

through profit or loss	4,896	-	-	4,896
Available-for-sale financial assets	<u>18,129</u>	<u>-</u>	<u>-</u>	<u>18,129</u>
Net fair values	<u>23,025</u>	<u>-</u>	<u>-</u>	<u>23,025</u>

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

SECTION C: BUSINESS REVIEW AND PROSPECTS

CONTINUING OPERATIONS

I. OVERALL PERFORMANCE

In the first half of 2016 the world's economy was filled with challenges and uncertainties. Major global economies continued to struggle despite continuous support from central banks around the world. Brexit event in June added further uncertainties to the fragile Eurozone economies. Even though US sustained slight growth momentum, China only underwent stable economic growth. All these complicated and volatile economic conditions affected both Hong Kong and Macau economies deeply especially in the retail sector. The sluggish local retail market had an adverse impact on the Group's performance resulting in an overall net loss over the interim period from downtrend RMB exchange rate and unsatisfactory return on property investments.

For the six months ended 30 June 2016, the Group recorded a turnover of HK\$13,237,000, representing a 21.3% decrease from the corresponding period of last year (1H2015 (represented): HK\$16,826,000). Gross profit for the period under review was HK\$8,721,000 representing a 28.2% decrease from the corresponding period of last year (1H2015 (represented): HK\$12,148,000).

The Group delivered a net loss of HK\$3,312,000 compared to a net profit of HK\$3,656,000 from the corresponding period of last year. The loss was mainly attributed to increase in unrealized exchange loss of HK\$4,808,000 derived from bank deposits denominated in RMB as at 30 June 2016 and decrease in rental income from investment properties of HK\$3,295,000. In addition, there is no valuation gain on investment properties for the period under review compared to a valuation gain of HK\$3,500,000 from the corresponding period of last year. Instead the Group derived a gain of HK\$5,854,000 from disposing its entire interest in a subsidiary during the period under review. Before the unrealized exchange loss, valuation gain on investment properties and gain on disposal of a subsidiary, the Group incurred net loss of HK\$4,173,000 versus net profit of HK\$341,000 the same period last year.

II. PROPERTY INVESTMENT BUSINESS

Property markets in both Hong Kong and Macau remained stagnant in the first half of the year. There was some reduction in property prices in general in anticipation of interest rate hike but as supply remained inadequate, both buyers and sellers held a wait and see attitude.

During the first half of 2016, our properties portfolio in Hong Kong and Macau contributed rental income of HK\$3,900,000 (1H2015: HK\$7,195,000) to the Group. There is no valuation gain on investment properties during the period under review compared to valuation gain of HK\$3,500,000 the same period last year. The big plunge in rental income was due to the vacancy period to undergo renovation work on our boutique hotel after the tenancy expired in September 2015. A new tenancy agreement took effect in mid-April after the renovation was completed. Due to the market downturn, the financial performance in this sector was materially and adversely impacted resulting in loss of HK\$3,523,000 compared to profit of HK\$3,237,000 the same period last year in the midst of prevailing declining market rental rate and difficulties in securing a lease renewal or replacement tenant at the same if not higher rental rate than before. Nevertheless, all investment properties are anticipated to serve as a stable income base to the Group.

The core business of the Group remains focusing on property investment and development in Hong Kong and Macau. While mindful of the challenging operating environment, the management will continue to monitor the property market to make disposals and acquisitions to ensure the Group will continue to unlock values on our existing investment portfolio while mitigating potential investment risks. We believe Hong Kong's economic fundamentals are still sound with interest rates and unemployment rates hovering at low levels and are optimistic that pent up demand will still support prices for commercial units in prime locations and quality residences in the long run.

III. HAIR STYLING BUSINESS

Hair styling business continues to be a stable contributor to the revenue of the Group. For the first half of 2016, the Hair styling business segment reported a turnover of HK\$8,519,000 representing a 4.4% decrease when compared to the corresponding period last year. Segment net profit dropped 34.9% from that of the same period last year to HK\$790,000 this year. Other than the lost revenue, reduced segment profit was also attributable to the increase in staff cost as well as rental upon renewal of the tenancy agreement in mid-May 2016.

In the coming months of the year, it is not expected there may be many signs of recovery in the external economy but with growing domestic demand, further reform measures and new infrastructure construction in Mainland China will provide new momentum for its steady economic growth and hopefully in turn would boost up the local retail sales and services market which seems to have been stabilized from shrinking recently. Meanwhile to keep our competitive edge, management team will continue to step up its effort in enhancing operational efficiency and cost structure as well as exploring new service and marketing strategies.

During the period under review, “Headquarters” remained committed to its social responsibilities and was honoured as Caring Company by The Hong Kong Council of Social Services and awarded with ERB Manpower Developer – SME Award, The Hong Kong Outstanding Corporate Citizenship Logo and for the first time the Good MPF Employer Award.

IV. OTHER BUSINESS SEGMENTS

Money lending business contributed a turnover of HK\$818,000 during the first six months of 2016, increased 13.5% compared to the same period last year. The segment recorded a profit of HK\$624,000 compared to a profit of HK\$460,000 same period last year. The increase in profit was mainly contributed from a new personal drawdown made in August 2015. This business continues to aim at increasing our return on surplus cash in the low interest environment while at the same time adopting a cautious approach to manage credit risk.

Discontinued Operation

On 23 March 2016, the Group disposed its wholly-owned subsidiary, Century Legend Securities Limited with consideration of HK\$23,598,000, resulting in gain on disposal of HK\$5,854,000. The profit for the period from 1 January 2016 to the date of disposal at HK\$116,000 was disclosed under the discontinued operation in Note 5. After the disposal, the Group will no longer engage in securities brokerage business and consolidate the resources to focus on its core business in property investments.

PROSPECTS

The economy in Hong Kong and Macau did not fare well for the first six months of 2016 after the continuous economic slowdown last year. Inbound mainland tourists increased in number, but their consumption power did not improve significantly. Uncertainty in economic outlook led to persistently sluggish local consumer sentiment. The poor consumption sentiment inevitably affected the Group's business in Hong Kong and Macau, particularly property investment business. Some of our tenants ended their business as they encountered operating difficulties, resulting in our seeking of new tenants while some other tenants requested rental adjustments due to the shrinking market. The time taken for identifying new tenant and dropping market rentals greatly reduced the Group's rental income during the period, but with our relentless effort, these issues were basically solved in the second quarter of 2016 and all of the Group's properties have been leased out to date. The average rental income is lower than before, but the new rental arrangement will bring steady cash revenue for the Group in the near future. Moreover, through the new tenant portfolio and rental adjustments, we hope to enhance the Group's tenants base and our relationship with them so as to benefit long term development of the Group.

Looking forward, the outlook of the economy in Hong Kong and Macau remains gloomy. The economic condition in Hong Kong and Macau will continuously be affected by factors such as the political and economic uncertainties in the world (especially in the Asia-Pacific region), the impact of Brexit on the global economy, and the volatility arising during the economic transformation in Mainland China. In Hong Kong, the politicized society has made governance tougher and tougher. The Government is unable to roll out effective measures to cope with the weak economy. In Macau, the revenue of the leading industry, gaming industry keeps falling whilst adjusting towards a new economic norm when moderate economic and industrial diversification is still ongoing with the effectiveness remains to be seen. Against the backdrop of these various challenges, we will continue to uphold our principles of prudent investment and sound financial management, so as to seek opportunity in adversity and foster the development of the business of the Group pragmatically.

SECTION D: FINANCIAL REVIEW

I. LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2016, the Group had a cash and bank balance including pledged bank deposits of HK\$242,891,000 and net current assets of HK\$24,638,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2016 was approximately 1.10 (31 December 2015: 1.03). 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 currency risk in view of the recent RMB exchange rate fluctuation. The Directors consider that in the 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\$246,710,000, 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 2016 (31 December 2015: Nil). The Group had no significant capital commitments as at 30 June 2016 (31 December 2015: HK\$1,605,000). 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\$376,118,000, HK\$425,000 fixed rate liability, HK\$246,285,000 floating rate liability and HK\$9,199,000 interest-free liabilities, representing 0.1%, 65.5% and 2.4% 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 2016 was approximately 0.07% (31 December 2015: 0.09%).

III. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2016.

SECTION E: EMPLOYEE AND REMUNERATION POLICY

For the period ended, under the continuing operations, the Group employed approximately a total of 34 employees (30 June 2015 (restated): 34) with staff costs excluding directors' emoluments amounted to HK\$3,973,000 (30 June 2015 (represented): HK\$3,683,000).

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. Shareholders' approval to refresh the option scheme limit up to 10% of the shares in issue on the grant of options under the share option scheme was obtained at the 2015 annual general meeting of the Company.

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

Name of participant	Date of grant (Note)	Validity period	Exercise price per Share HK\$	Number of share options					Outstanding at 30 June 2016
				Outstanding at 1 January 2016	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Directors:									
Ms. Chu Ming Tak Evans Tania	22 May 2009	22 May 2009 to 21 May 2019	0.31	8,930,087	-	-	-	-	8,930,087
Sub-total				8,930,087	-	-	-	-	8,930,087
Employee:									
Ms. Sze Tak On	22 May 2009	22 May 2009 to 21 May 2019	0.31	7,441,739	-	-	-	-	7,441,739
Sub-total				7,441,739	-	-	-	-	7,441,739
Total				16,371,826	-	-	-	-	16,371,826

Note: The closing price per share immediately before 22 May 2009 (the date on which the share options were granted) was HK\$0.35.

No share option has been granted, exercised or lapsed during the six months ended 30 June 2016.

All outstanding share options were exercisable as at 30 June 2016.

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 2016, 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/ Chief Executive	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 <i>(Note 1 and 3)</i>	6.24%	
	Interest of controlled corporate	The Company	88,275,577 <i>(Note 2 & 3)</i>	28.50%	
Mr. TSANG Chiu Mo Samuel	Interest of controlled corporate	The Company	19,329,195 <i>(Note 1 & 3)</i>	6.24%	
	Interest of controlled corporate	The Company	88,275,577 <i>(Note 2 & 3)</i>	28.50%	
Ms. TSANG Chiu Yuen Sylvia	Beneficial interests	The Company	3,064,000	0.99%	
	Interest of controlled corporate	The Company	19,329,195 <i>(Note 1 & 3)</i>	6.24%	
	Interest of controlled corporate	The Company	88,275,577 <i>(Note 2 & 3)</i>	28.50%	
Ms. CHU Ming Tak Evans Tania	Beneficial interest			2.88%	8,930,087 <i>(Note 4)</i>
Ms. SZE Tak On	Beneficial interest			2.40%	7,441,739 <i>(Note 4)</i>

Notes:

- These shares were beneficially owned by Barsmark Investments Limited.
- These shares were beneficially owned by ST (79) Investment Limited.
- 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.
- Details of the interests of the Directors/Chief Executives 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 Division 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 2016, 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 (Note 1)	Beneficial interest	19,329,195	6.24%
ST (79) Investment Limited (Note 1)	Beneficial interest	88,275,577	28.50%
ST Investments Holding Limited (Note 1)	Interest of controlled corporation	107,604,772 (Note 2)	34.74%
Conba Investments Ltd. (Note 1)	Interest of controlled corporation	107,604,772 (Note 2)	34.74%
Ssky Investments Limited (Note 1)	Interest of controlled corporation	107,604,772 (Note 2)	34.74%

Name of shareholder	Nature of interest	Number of shares held	Approximate Percentage of total shareholding
Fortune Ocean Limited (<i>Note 1</i>)	Interest of controlled corporation	107,604,772 (<i>Note 2</i>)	34.74%
Szeto Investments Holdings (Amusement) Limited (<i>Note 3</i>)	Beneficial interest	50,996,250	16.47%
Szeto Investments Holdings Ltd. (<i>Note 3</i>)	Interest of controlled corporation	50,996,250	16.47%
Szeto International Holdings Ltd. (<i>Note 3</i>)	Interest of controlled corporation	50,996,250	16.47%
Ms. SZETO Yuk Lin (<i>Note 3</i>)	Interest of controlled corporation	50,996,250	16.47%

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 2016 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 (the "Code") in Appendix 14 of the Listing Rules during the period under review, save for the deviations set out below.

As at 30 June 2016, 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 the management of the Company 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 of the Group for the six months ended 30 June 2016 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 2016.

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

Hong Kong, 25 August 2016