



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

Stock Code : 00079



INTERIM REPORT | 2017

* 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. AU Chi Wai Edward

Mr. LAU Pui Wing

AUDIT COMMITTEE

Mr. LAU Pui Wing *(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. HUI Yan Kit

Ms. CHU Ming Tak Evans Tania

COMPANY SECRETARY

Ms. SZE Tak On

LEGAL ADVISERS

Tso Au Yim & Yeung Solicitors

AUDITORS

BDO Limited

Certified Public Accountants

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 2017. 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 2017

	Notes	Six months ended 30 June	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Continuing operations			
Revenue	2	15,012	13,237
Cost of sales		(4,702)	(4,516)
Gross profit		10,310	8,721
Other income		11,240	4,562
Fair value gain/(loss) on financial assets at fair value through profit or loss		672	(215)
Gain on disposal of available-for-sale financial assets		2,361	–
Gain on disposal of a subsidiary	5	–	5,854
Administrative expenses		(14,911)	(19,807)
Finance costs		(2,600)	(2,427)
Profit/(Loss) before income tax	3	7,072	(3,312)
Income tax expense	4	–	–
Profit/(Loss) for the period from continuing operations		7,072	(3,312)
Discontinued operation			
Profit for the period from discontinued operation	5	–	116
Profit/(Loss) for the period		7,072	(3,196)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Revaluation of available-for-sale financial assets		1,852	(1,685)
Release upon disposal of available-for-sale financial assets		(1,244)	–

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Notes		
Other comprehensive income for the period	608	(1,685)
Total comprehensive income for the period	7,680	(4,881)
Profit/(Loss) for the period attributable to owners of the Company:		
– from continuing operations	6,868	(3,592)
– from discontinued operation	–	116
	6,868	(3,476)
Profit for the period attributable to non-controlling interests	204	280
Profit/(Loss) for the period	7,072	(3,196)
Total comprehensive income for the period attributable to:		
Owners of the Company	7,476	(5161)
Non-controlling interests	204	280
	7,680	(4,881)
Earnings/(Loss) per share attributable to the owners of the Company		
From continuing and discontinued operations		
– Basic	HK 2.22 cents	HK (1.12) cents
From continuing operations		
– Basic	HK 2.22 cents	HK (1.16) cents
From continuing and discontinued operations		
– Diluted	HK 2.05 cents	HK (1.12) cents
From continuing operations		
– Diluted	HK 2.05 cents	HK (1.16) cents

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The notes on pages 8 to 23 form part of this interim financial report.

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

		As at 30 June 2017 (Unaudited) HK\$'000	As at 31 December 2016 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	3,257	3,571
Investment properties	9	319,200	319,200
Prepaid land lease payments	10	3,515	3,577
Available-for-sale financial assets	11	16,341	18,733
Loans receivable	12	–	9,200
		<u>342,313</u>	<u>354,281</u>
Current assets			
Inventories		53	51
Prepaid land lease payments	10	123	123
Financial assets at fair value through profit or loss		5,468	4,796
Trade and other receivables and prepayments	13	7,071	5,461
Loans receivable	12	25	27,706
Pledged bank deposits		119,923	115,330
Cash and bank balances	14	149,982	117,768
		<u>282,645</u>	<u>271,235</u>
Current liabilities			
Trade payables	15	94	84
Other payables and accruals		6,228	13,267
Obligations under finance leases		288	288
Bank borrowings (secured)		244,154	245,219
Tax payable		230	230
		<u>250,994</u>	<u>259,088</u>
Net current assets		<u>31,651</u>	<u>12,147</u>

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2017

	<i>Notes</i>	As at 30 June 2017 (Unaudited) HK\$'000	As at 31 December 2016 (Audited) HK\$'000
Total assets less current liabilities		373,964	366,428
Non-current liabilities			
Obligations under finance leases		548	692
Deferred tax liabilities		2,438	2,438
		2,986	3,130
Net assets		370,978	363,298
EQUITY			
Share capital	16	61,941	61,941
Reserves		304,758	297,282
Equity attributable to the owners of the Company		366,699	359,223
Non-controlling interests		4,279	4,075
Total equity		370,978	363,298

The notes on pages 8 to 23 form part of this interim financial report.

III. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017 (Unaudited)

	Equity attributable to the Owners of the Company						Total HK\$'000	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	(Accumulated losses) HK\$'000			
At 1 January 2017	61,941	153,481	146,189	4,564	3,902	(10,854)	359,223	4,075	363,298
Profit for the period	-	-	-	-	-	6,868	6,868	204	7,072
Other comprehensive income									
Revaluation of available-for-sale financial assets	-	-	-	1,852	-	-	1,852	-	1,852
Release upon disposal of available-for sale financial assets	-	-	-	(1,244)	-	-	(1,244)	-	(1,244)
Total comprehensive income for the period	-	-	-	608	-	6,868	7,476	204	7,680
At 30 June 2017	61,941	153,481	146,189	5,172	3,902	(3,986)	366,699	4,279	370,978

For the six months ended 30 June 2016 (Unaudited)

	Equity attributable to the Owners of the Company						Total HK\$'000	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			
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 interest 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

The notes on pages 8 to 23 form part of this interim financial report.

IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Net cash generated from/(used in) operating activities	30,956	(14,266)
Net cash (used in)/generated from investing activities	(45,506)	13,373
Net cash used in financing activities	<u>(3,809)</u>	<u>(3,610)</u>
Net decrease in cash and cash equivalents	(18,359)	(4,503)
Cash and cash equivalents at 1 January	<u>90,472</u>	<u>33,328</u>
Cash and cash equivalents at 30 June	<u>72,113</u>	<u>28,825</u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances as stated in condensed consolidated statement of financial position	149,982	125,262
Less: short term deposits with maturity beyond three months but within one year	<u>(77,869)</u>	<u>(96,437)</u>
Cash and cash equivalents at 30 June	<u>72,113</u>	<u>28,825</u>

The notes on pages 8 to 23 form part of this interim financial report.

V. NOTES TO THE INTERIM FINANCIAL REPORT

For the six months ended 30 June 2017

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 30 August 2017.

(b) *Basis of preparation*

This unaudited condensed consolidated interim financial statements for the six months ended 30 June 2017 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 2016.

(c) *Principal accounting policies*

The unaudited condensed consolidated financial statements for the six months ended 30 June 2017 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 2016, 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 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle

The application of the above new or revised 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 2017 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 who are the chief operating decision-makers are determined following the Group's major product and service lines. The Group is currently organised into the following three operating segments.

Continuing operations

Property investments	–	Investing in commercial and residential properties for 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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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			
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Continuing operations				
Property investments	5,446	3,900	(1,759)	(3,523)
Hair styling	8,949	8,519	609	790
Money lending	617	818	392	624
	<u>15,012</u>	<u>13,237</u>	<u>(758)</u>	<u>(2,109)</u>
Unallocated other income			2,017	2,015
Exchange gains/(losses), net			6,813	(4,993)
Fair value gain/(loss) on financial assets at fair value through profit or loss			672	(215)
Gain on disposal of available-for-sale financial assets			2,361	–
Gain on disposal of a subsidiary			–	5,854
Corporate staff costs			(2,008)	(1,981)
Other corporate expenses			(2,025)	(1,883)
Profit/(Loss) before income tax			<u>7,072</u>	<u>(3,312)</u>

Revenue reported above represented revenue generated from external customers.

Segment results represents the profit earned/loss incurred by each segment without allocation of central administration costs. Segment results exclude interest income, dividend income, exchange gains/(losses), fair value change on financial instruments which arise from assets which are managed on a group basis and gain on disposal of available-for-sale financial assets. Segment results also exclude corporate staff costs and other 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 2017 (Unaudited) HK\$'000	As at 31 December 2016 (Audited) HK\$'000
Segment assets		
Property investments	330,820	329,826
Hair styling	6,264	6,061
Money lending	81	37,114
	<hr/>	<hr/>
Total segment assets	337,165	373,001
Available-for-sale financial assets	16,341	18,733
Financial assets at fair value through profit or loss	5,468	4,796
Pledged bank deposits	119,923	115,330
Short-term bank deposits	135,139	87,812
Other corporate assets	10,922	25,844
	<hr/>	<hr/>
Consolidated total assets	624,958	625,516
Segment liabilities		
Property investments	50,186	57,386
Hair styling	1,766	2,088
Money lending	81	73
	<hr/>	<hr/>
Total segment liabilities	52,033	59,547
Deferred tax liabilities	2,438	2,438
Bank borrowings	198,836	198,980
Other corporate liabilities	673	1,253
	<hr/>	<hr/>
Consolidated total liabilities	253,980	262,218

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

Other segment information

	Interest income		Finance costs		Additions to specified non-current assets		Depreciation and amortisation	
	Six months ended 30 June							
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Continuing operations								
Property investments	2,317	2,505	2,552	2,419	26	1	118	120
Hair styling	-	-	-	-	2	268	60	42
Money lending	617	817	-	-	-	-	-	-
	<u>2,934</u>	<u>3,322</u>	<u>2,552</u>	<u>2,419</u>	<u>28</u>	<u>269</u>	<u>178</u>	<u>162</u>
Discontinued operation								
Stock broking	-	74	-	-	-	-	-	7
Unallocated	1,881	1,884	48	8	8	-	234	151
	<u>1,881</u>	<u>1,884</u>	<u>48</u>	<u>8</u>	<u>8</u>	<u>-</u>	<u>234</u>	<u>151</u>
Total	<u>4,815</u>	<u>5,280</u>	<u>2,600</u>	<u>2,427</u>	<u>36</u>	<u>269</u>	<u>412</u>	<u>320</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 2017 (Unaudited) HK\$'000	As at 31 December 2016 (Audited) HK\$'000	Six months ended 30 June 2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Continuing operations				
Hong Kong (domicile)	263,521	263,828	13,140	11,386
Macau	62,451	62,520	1,872	1,851
	<u>325,972</u>	<u>326,348</u>	<u>15,012</u>	<u>13,237</u>
Discontinued operation				
Hong Kong (domicile)	–	–	–	378
	<u>325,972</u>	<u>326,348</u>	<u>15,012</u>	<u>13,615</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	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Continuing operations		
(a) Finance costs		
Interest on borrowings	2,581	2,412
Other finance costs	19	15
	<u>2,600</u>	<u>2,427</u>
Total finance costs recognised in profit or loss	<u>2,600</u>	<u>2,427</u>
(b) Other items		
Fair value (gain)/loss on financial assets at fair value through profit or loss	(672)	215
Depreciation and amortisation	412	313
	<u>412</u>	<u>313</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 2017 and 2016.

The Group has available tax losses as at 31 December 2016 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 2017 and 2016.

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 in 2016 are set out below.

Profit for the period from discontinued operation

	Period from 1 January 2016 to 23 March 2016 (Unaudited) HK\$'000
Revenue	378
Cost of sales	(54)
	<hr/>
Gross profit	324
Other income	281
Administrative expenses	(489)
	<hr/>
Profit before income tax	116
Income tax expense	-
	<hr/>
Profit for the period	<u>116</u>

5. Discontinued operation (Continued)

Cash flows from discontinued operations

	Period from 1 January 2016 to 23 March 2016 (Unaudited) HK\$'000
Net cash (used in)/generated from operating activities	(1,262)
Net cash used in investing activities	—
	<hr/>
Net cash (outflows)/inflows	(1,262)
	<hr/>

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	36
	<hr/>
Current assets	
Trade and other receivables and prepayments	6,784
Trust bank balances held on behalf of customers	4,664
Cash and bank balances	11,326
	<hr/>
	22,774
	<hr/>
Current liabilities	
Trade payables	4,987
Other payables and accruals	180
Amount due to a subsidiary	45
	<hr/>
	5,212
	<hr/>
Net assets disposed of	17,598
	<hr/>

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	(146)
	<hr/>
Gain on the disposal before income tax	5,854
	<hr/>
<i>Net cash inflow from disposal of a subsidiary</i>	

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

6. Dividend

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

7. 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 from continuing and discontinued operations for the period is based on the profit attributable to the owners of the Company of HK\$6,868,000 (six months ended 30 June 2016: loss of HK\$3,476,000) and the weighted average of 309,705,597 (six months ended 30 June 2016: 309,705,597) shares in issue during the six-month period.

The calculation of basic earnings/(loss) per share attributable to the owners of the Company from continuing operations for the period is based on the profit attributable to the Company's owners of HK\$6,868,000 (six months ended 30 June 2016: loss of HK\$3,592,000) and the weighted average of 309,705,597 (six months ended 30 June 2016: 309,705,597) shares in issue during the six-month period.

For the six months ended 30 June 2017, 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\$6,868,000 and the weighted average number of 335,336,520 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 2017, the calculation of diluted earnings per share from continuing operations is based on the profit attributable to the equity shareholders of HK\$6,868,000 and the weighted average number of 335,336,520 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 2016, diluted loss per share amount was not presented because the impact of the exercise of the share options was anti-dilutive.

8. Property, plant and equipment

(a) *Acquisitions of property, plant and equipment*

During the six months ended 30 June 2017, the Group acquired items of property, plant and machinery with a cost of HK\$36,000 (six months ended 30 June 2016: HK\$269,000).

(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 2017 (six months ended 30 June 2015: HK\$300).

9. Investment properties

There is no acquisition of investment property for the six months ended 30 June 2017 (six months ended 30 June 2016: 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 2016.

10. Prepaid land lease payments

There is no acquisition of prepaid land lease payment for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

11. Available-for-sale financial assets

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Listed equity investments in Hong Kong, at fair value	<u>16,341</u>	<u>18,733</u>

12. Loans receivable

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Gross loans receivable – unsecured (<i>Note</i>)	997	37,878
Less: Provision for impairment	<u>(972)</u>	<u>(972)</u>
Net carrying amounts	25	36,906
Less: Amounts due within one year	<u>25</u>	<u>(27,706)</u>
Amounts due after one year	<u>-</u>	<u>9,200</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 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Three months or less	19	453
Over three months but less than one year	6	27,253
In one to two years	–	9,200
	<u>25</u>	<u>36,906</u>

13. Trade and other receivables and prepayments

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Trade receivables	1,294	1,586
Other receivables and prepayments	<u>5,777</u>	<u>3,875</u>
	<u>7,071</u>	<u>5,461</u>

13. 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 2017, the ageing analysis of the trade receivables is as follows:

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
0-30 days	921	1,223
31-60 days	-	-
61-90 days	10	-
Over 90 days	363	363
	<u>1,294</u>	<u>1,586</u>

14. Cash and bank balances

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Cash at banks and in hand	14,843	29,956
Short-term bank deposits	135,139	87,812
	<u>149,982</u>	<u>117,768</u>

15. Trade Payables

As at 30 June 2017, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
0-30 days	60	46
31-60 days	34	38
	<u>94</u>	<u>84</u>

16. Share capital

	Number of shares 30 June 2017 (Unaudited) And 31 December 2016 (Audited) '000	Share Capital 30 June 2017 (Unaudited) And 31 December 2016 (Audited) HK\$'000
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Authorised:

Ordinary shares of HK\$0.2 each	2,000,000	400,000
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Issued and fully paid:

Ordinary shares of HK\$0.2 each	309,706	61,941
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17. Operating lease commitments

At 30 June 2017, the total future aggregate minimum lease payments under non-cancellable operating leases falling due as follows:

	Buildings		Motor vehicles	
	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within one year	3,846	3,846	225	-
In the second to fifth year (inclusive)	2,631	4,554	-	-
	<u>6,477</u>	<u>8,400</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 2017 (Unaudited) HK\$'000	30 June 2016 (Unaudited) HK\$'000
Continuing operations		
Short term employee benefits	6,217	5,978
Post-employment benefits	<u>103</u>	<u>100</u>
	<u>6,320</u>	<u>6,078</u>
Discontinued operation		
Short term employee benefits	-	145
Post-employment benefits	<u>-</u>	<u>9</u>
	<u>-</u>	<u>154</u>
	<u>6,320</u>	<u>6,232</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 2017

Financial assets at fair value				
through profit or loss	5,468	-	-	5,468
Available-for-sale financial assets	16,341	-	-	16,341
Net fair values	21,809	-	-	21,809

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

As 31 December 2016

Financial assets at fair value				
through profit or loss	4,796	-	-	4,796
Available-for-sale financial assets	18,733	-	-	18,733
Net fair values	23,529	-	-	23,529

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

SECTION C: BUSINESS REVIEW AND PROSPECTS

I. OVERALL PERFORMANCE

For the six months ended 30 June 2017, the Group recorded a turnover of HK\$15,012,000, representing a 13.4% increase from the corresponding period of last year (1H2016: HK\$13,237,000). Gross profit for the period under review was HK\$10,310,000 representing an 18.2% increase from the corresponding period of last year (1H2016: HK\$8,721,000).

The Group delivered a net profit of HK\$7,072,000 compared to a net loss of HK\$3,312,000 from the corresponding period of last year. The profit was mainly attributed to an unrealized exchange gain of HK\$6,813,000 derived from bank deposits denominated in RMB as at 30 June 2017 instead of a loss of HK\$4,808,000 as of the same period last year. Profit on sales of long term securities of HK\$2,361,000 also contributed to the interim profit. Same as last year, there was no valuation gain on investment properties for the period under review. Before the unrealized exchange gain/loss, profit on sales of long term securities, gain on disposal of a subsidiary realized in 1H2016, the Group incurred loss of HK\$2,102,000 versus net loss of HK\$4,358,000 the same period last year.

II. PROPERTY INVESTMENT BUSINESS

During the first half of 2017, our properties portfolio in Macau and Hong Kong contributed rental income of HK\$5,446,000 (1H2016: HK\$3,900,000) to the Group. There was no valuation gain on investment properties during the period under review and the same period last year. Increase in rental income was due to the new tenancy of our boutique hotel that commenced in mid-April 2016 upon completion of a six months' renovation work since the old tenancy expired. All investment properties are anticipated 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 where our properties portfolio comprises residentials and commercials including a boutique hotel, retail shop and offices. During the interim period all the properties performed steadily at full occupancy rate with most major tenancy renewals completed in the previous year. Our strategy for generating and preserving shareholder value is to invest in properties that offer attractive returns but the Group made no acquisition or disposal in the 1H2017. Despite that the property cooling measures imposed by governments are still in effect, the property transactions in volume and price in both Hong Kong and Macau have returned to a trend of growth due to the solid local demand for housing. In view of the current sustained period of low interest rates, tight supply but keen demand and the strong purchasing power of local residents together with some Mainland Chinese who sees overseas property investments as a protection of their investment returns over a weakening RMB, it is expected the prospects of the property market will continue to be positive. The management will keep watch of prevailing market conditions and seek optimal timing to make appropriate strategic adjustments to the Group's assets portfolio in response either for business development or disposal 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 2017, the Hair Styling business segment reported a turnover of HK\$8,949,000 representing a 5.0% increase when compared to the corresponding period last year. Segment net profit for the period however dropped 23% from that of the same period in 2016 to HK\$608,000. This was mainly attributable to the rising staff cost and increase in rent upon expiry of the salon's tenancy agreement in mid-May 2016. 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.

During the period under review, "Headquarters" continued to participate in various corporate social responsibility programmes and in its recognition was honoured with caring company award, ERB Manpower Developer – SME Award and The Hong Kong Outstanding Corporate Citizenship Logo issued by the Hong Kong Productivity Council as well as the Good MPF Employer award 2016-2017.

IV. OTHER BUSINESS SEGMENTS

As part of the Group's ongoing treasury management of surplus funds, money lending business contributed a turnover of HK\$617,000 during the first six months of 2017, decreased 24.6% compared to the same period last year. The segment recorded a profit of HK\$392,000, compared to a profit of HK\$624,000 same period last year. The decreased segment turnover and profit were mainly attributed to repayment of substantial loan amount from customers irrespective that administrative cost remained about the same during the period under review. Going forward, the Group will as always cautiously monitor credit risk when making out new loans to selected customers.

V. PROSPECTS

While the economic growth in most major economies has been improving in 2017 so far, the outlook of the global market is still faced with uncertainties and challenges including the increased geopolitical tension, the rising protectionist sentiments and the unpredicted policy directions as dictated by Trump of the United States through his executive orders and statements. There are also concerns over the future development of Brexit for both the European Union and the United Kingdom. The scale and timing of interest rate hikes will also intensify volatility in the global financial markets. Despite that the RMB devaluation has somewhat been alleviated for the time being but there are still uncertainties pending new policy developments from the PRC 19th Plenum held later this year. All these factors added up no doubt will have global implications and play a strong effect on external oriented economies like Macau and Hong Kong and impact our future investment strategy.

Amidst uncertainties in the external environment but looking forward, we are still optimistic about the business opportunities in Macau and Hong Kong. Macau gaming industry has since 3rd Quarter 2016 reversed its 26th month gross gaming revenue slump and is expected to continue to perform well. Ongoing infrastructural improvements like the Hong Kong-Zhuhai-Macau Bridge and Macau Light Rapid Transit will bring higher visitations and drive economic growth to develop Macau into a world class centre for tourism and leisure.

Back in Hong Kong, with the vision of “Developing the Economy and Improving People’s Livelihood” the HKSAR government has set out various clear and firm plans amongst which include increasing housing supply and promoting our tourism industry. Key infrastructure projects as the Hong Kong-Zhuhai-Macau Bridge and the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link soon to be completed will help to boost local tourism. As in 2016 and going forward local consumption will continue to stimulate economic growth while construction of infrastructure remains an important strategy for the government to support such growth. Being Asia’s financial centre, Hong Kong may also benefit from the Belt and Road Initiative by becoming a fund raising platform. Business opportunities could well emerge as Chinese Premier Li Keqiang announced a plan to develop the Guangdong-Hong Kong-Macau Greater Bay Area in his annual work report earlier this year. The Greater Bay Area comprised of Hong Kong, Macau and nine cities in Pearl River Delta region the development of which according to the plan will put more emphasis on industrial synergy and external links which inevitably stimulate economic cooperation amongst these cities. The goal is to set up a world class economic zone comparable to other renowned bay area economies around the world.

Looking ahead, the Group will as always fully employ its strength in internal resources and prudently pursue its business development and launch new projects as the opportunities arise. We will continue to strengthen our business, streamline our cost structure to improve our competitiveness and seek business opportunities whilst be mindful of various business risks all to aim at creating the best value to our shareholders and stakeholders.

SECTION D: FINANCIAL REVIEW

I. LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the Group had a cash and bank balance including pledged bank deposit of HK\$269,905,000 and net current assets of HK\$31,651,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2017 was approximately 1.13 (31 December 2016: 1.10). 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\$244,154,000, 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 2017 (31 December 2016: Nil). The Group had no significant capital commitments as at 30 June 2017 (31 December 2016: 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\$370,978,000, HK\$836,000 fixed rate liability, HK\$244,154,000 floating rate liability and HK\$8,990,000 interest-free liabilities, representing 0.2%, 65.8% 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 2017 was approximately 0.15% (31 December 2016: 0.20%).

III. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017.

SECTION E: EMPLOYEE AND REMUNERATION POLICY

For the period ended, the Group employed approximately a total of 32 employees (30 June 2016: 34) with staff costs excluding directors' emoluments amounted to HK\$4,343,000 (30 June 2016: HK\$3,973,000).

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. Shareholder's 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 2017
				Outstanding at 1 January 2017	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
Tsang Chiu Yuen Sylvia	14 September 2016	14 September 2016 to 13 September 2026	0.732	3,096,000	-	-	-	-	3,096,000
Sub-total				12,026,087	-	-	-	-	12,026,087
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				19,467,826	-	-	-	-	19,467,826

Note: The closing prices per share immediately before 22 May 2009 and 14 September 2016 (the dates on which the share options were granted) were HK\$0.35 and HK\$0.73 respectively.

No share option has been granted, exercised or lapsed during the six months ended 30 June 2017.

All outstanding share options were exercisable as at 30 June 2017.

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 2017, 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 (Note 1 & 3)	6.24%	
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	28.50%	
Mr. TSANG Chiu Mo Samuel	Interest of controlled corporate	The Company	19,329,195 (Note 1 & 3)	6.24%	
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	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 (Note 1 & 3)	6.24%	
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	28.50%	
Ms. CHU Ming Tak Evans Tania	Beneficial interest			2.88%	8,930,087 (Note 4)
Ms. SZE Tak On	Beneficial interest			2.40%	7,441,739 (Note 4)

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 Executive 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 2017, 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%

Notes:

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 2017 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 2017, 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 of the Company the accounting principles and practices adopted by the Group and discussed risk management, 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 2017 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 2017.

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

Hong Kong, 30 August 2017