香港中旅國際投資有限公司
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 308)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

INTERIM RESULTS

The Board of Directors (the "Board") of China Travel International Investment Hong Kong Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 together with the comparative figures.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2017

		Unaudited	
	Note	**2017**	2016
		HK$'000	*HK$'000*
Revenue	5	**2,352,109**	1,820,093
Cost of sales		**(1,402,693)**	(955,870)
Gross profit		**949,416**	864,223
Other income and gains, net	6	**115,978**	74,788
Changes in fair value of investment properties		**46,988**	24,970
Selling and distribution costs		**(262,817)**	(252,999)
Administrative expenses		**(435,559)**	(403,705)
Operating profit	7	**414,006**	307,277
Finance income	8	**26,482**	46,929
Finance costs	8	**(2,311)**	(6,157)
Finance income, net	8	**24,171**	40,772
Share of profits less losses of			
Associates		**59,062**	80,077
Joint ventures		**(607)**	1,698
Profit before taxation		**496,632**	429,824
Taxation	9	**(66,411)**	(90,619)
Profit for the period from continuing operations		**430,221**	339,205
Discontinued operations			
Profit from discontinued operations	16	**20,538**	—
Profit for the period		**450,759**	339,205

		Unaudited	
	Note	**2017**	2016
		HK$'000	*HK$'000*
Attributable to:			
Equity owners of the Company		**374,546**	270,043
Non-controlling interests		**76,213**	69,162
Profit for the period		**450,759**	339,205
Earnings per share for profit attributable to equity owners of the Company (HK cents)	11		
Basic earnings per share from:			
– Continuing operations		**6.50**	4.90
– Discontinued operations		**0.38**	—
		6.88	4.90
Diluted earnings per share from:			
– Continuing operations		**6.49**	4.90
– Discontinued operations		**0.38**	—
		6.87	4.90

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Unaudited	
	2017	2016
	HK$'000	*HK$'000*
Profit for the period	**450,759**	339,205
Other comprehensive income/(loss)		
Items that will not be reclassified subsequently to profit or loss:		
Gain on property revaluation, net of tax	**1,332**	31,257
Items that may be reclassified subsequently to profit or loss:		
Share of hedging reserve of an associate	**(3,791)**	13,481
Exchange differences on translation of foreign operations, net	**311,581**	(185,680)
Release of exchange difference upon disposal of a subsidiary	**(11,566)**	—
Other comprehensive income/(loss) for the period, net of tax	**297,556**	(140,942)
Total comprehensive income for the period	**748,315**	198,263
Total comprehensive income for the period attributable to:		
Equity owners of the Company	**643,975**	147,068
Non-controlling interests	**104,340**	51,195
	748,315	198,263

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	**Unaudited 30 June 2017** *HK$'000*	Audited 31 December 2016 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,625,219**	7,451,863
Investment properties		**1,641,366**	1,567,692
Prepaid land lease payments		**661,124**	426,540
Goodwill		**1,320,591**	1,320,591
Other intangible assets		**212,321**	163,076
Interests in associates		**1,073,599**	1,020,209
Interests in joint ventures		**14,926**	51,761
Available-for-sale investments		**19,210**	26,104
Prepayments and receivables		**81,834**	307,554
Deferred tax assets		**51,435**	50,726
Total non-current assets		**12,701,625**	12,386,116
Current assets			
Inventories		**30,054**	34,070
Properties under development		**1,575,794**	2,071,597
Properties for sale		**195,582**	—
Trade receivables	12	**175,491**	182,417
Deposits, prepayments and other receivables		**691,213**	609,434
Loan to a fellow subsidiary		**155,850**	—
Amounts due from holding companies		**21,997**	21,047
Amounts due from fellow subsidiaries		**33,111**	26,262
Tax recoverable		**3,814**	4,896
Financial assets at fair value through profit or loss		**1,802,010**	537,724
Pledged time deposits		**61,637**	59,761
Cash and bank balances		**2,862,727**	3,937,193
		7,609,280	7,484,401
Assets of a disposal group classified as held for sale		**—**	105,254
Total current assets		**7,609,280**	7,589,655
Total assets		**20,310,905**	19,975,771

	Note	**Unaudited 30 June 2017** *HK$'000*	Audited 31 December 2016 *HK$'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital		**9,098,982**	9,096,434
Reserves		**6,125,768**	5,576,911
		15,224,750	14,673,345
Non-controlling interests		**1,055,778**	1,099,248
Total equity		**16,280,528**	15,772,593
LIABILITIES			
Non-current liabilities			
Deferred income		**1,092,258**	1,088,118
Bank and other borrowings		**87,121**	85,467
Deferred tax liabilities		**445,898**	424,492
Total non-current liabilities		**1,625,277**	1,598,077
Current liabilities			
Trade payables	13	**366,407**	379,939
Other payables and accruals		**1,757,872**	1,961,790
Loan from a holding company		**79,500**	—
Amounts due to holding companies		**3,468**	3,969
Amounts due to fellow subsidiaries		**6,455**	7,979
Tax payable		**143,335**	178,889
Bank and other borrowings		**48,063**	13,061
		2,405,100	2,545,627
Liabilities of a disposal group classified as held for sale		**—**	59,474
Total current liabilities		**2,405,100**	2,605,101
Total liabilities		**4,030,377**	4,203,178
Total equity and liabilities		**20,310,905**	19,975,771
Net current assets		**5,204,180**	4,984,554
Total assets less current liabilities		**17,905,805**	17,370,670

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 CORPORATE INFORMATION

China Travel International Investment Hong Kong Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in following activities:

- Tourist attraction and related operations
- Travel agency, travel document and related operations
- Hotel operations
- Passenger transportation operations

The Company is a limited liability company incorporated in Hong Kong and is listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is 12th Floor, CTS House, 78-83 Connaught Road Central, Hong Kong.

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 29 August 2017.

This condensed consolidated interim financial information has not been audited.

The financial information relating to the year ended 31 December 2016 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2017 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2017 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3 ACCOUNTING POLICES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements except for the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2017.

Amendments to HKFRSs effective for the financial year ending 31 December 2017 do not have a material impact on the Group.

(a) The following new standards, amendments and interpretations to existing standards are mandatory and relevant to the Group for the financial year beginning 1 January 2017.

Annual improvements 2014-2016 Cycle (1)	Amendments to a number of HKFRSs
Amendments to HKAS 12	Income taxes
Amendments to HKAS 7	Statement of cash flows

(b) The following new standards, amendments and interpretations to existing standards have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted. The Group is assessing the impact of these standards, amendments and interpretations to existing standards and will apply when they are effective.

Annual improvements 2014-2016 Cycle (1)	Amendments to a number of HKFRSs
HKFRS 9 (2)	Financial Instruments
HKFRS 15 (2)	Revenue from Contracts with Customers
Amendments to HKFRS 2 (2)	Classification and Measurement of Share-based Payment transactions
HKFRS 16 (3)	Leases
Amendments to HKFRS 10 and HKAS 28 (3)	Sale or contribution of assets between an investor and its associate or joint venture

(1) Effective for financial periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate
(2) Effective for financial periods beginning on or after 1 January 2018
(3) Effective for financial periods beginning on or after 1 January 2019

HKFRS 9, "Financial Instruments"

HKFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets and financial liabilities.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 15, "Revenue from Contracts with Customers"

The application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue. Certain costs incurred in fulfilling a contract which are currently expensed may need to be recognised as an asset under HKFRS 15. At this stage, the Group is in the process of assessing the impact of HKFRS 15 on the Group's financial statements.

HKFRS 16, "Leases"

HKFRS 16 will affect primarily the accounting for Group's operating leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised in the consolidated statement of financial position. The Group is in the process of assessing to what extent the operating lease commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

4 Operating segment information

Executive management is the Group's chief operating decision-maker and regularly reviews the segment results. For management purposes, the Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. A summary of details of the operating segments is as follows:

(a) the tourist attraction and related operations segment engages in the operation of theme parks, scenic spots, cable car systems, skiing facilities, hotspring resorts, other resorts, golf club, arts performance and tourism property development located in the Mainland China;

(b) the travel agency, travel document and related operations segment engages in the provision of travel agency, travel document and related services in Hong Kong, the Mainland China, South East Asia, Oceania, the United States of America and countries in the European Union;

(c) the hotel operations segment engages in the provision of hotel accommodation, food and beverage services in Hong Kong, Macau and the Mainland China;

(d) the passenger transportation operations segment engages in the provision of cross-border transportation services to individuals travelling between Hong Kong, Macau and the Mainland China, vehicle rental and charter operations in Hong Kong, Macau and the Mainland China;

The power generation operations engage in the generation of electricity in the Mainland China. In March 2015, the Group entered into an agreement to dispose of its interest in the power generation operations to the immediate holding company and the transaction was completed in June 2015. Therefore, the power generation operations are disclosed as discontinued operations in operating segment information.

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker and monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on the profit/(loss) attributable to equity owners of the Company of each reportable operating segment excluding material non-recurring income or expenses, such as changes in fair value of investment properties, net of tax.

The reportable operating segments have changed starting from 1 January 2017 in order to align with the information reviewed by the chief operating decision-maker. Prior period corresponding information have been reclassified to conform with current period presentation.

Six months ended 30 June 2017 (Unaudited)

	Continuing operation							Discontinued operations	
	Tourist attraction and related operations	Travel agency, travel document and related operations	Hotel operations	Passenger transportation operations	Total of reportable segments	Corporate and others	Total	Power generation operations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:									
Sales to external customers	1,219,608	556,295	362,740	213,466	2,352,109	–	2,352,109	–	2,352,109
Intersegment revenue	6,435	1,898	1,398	652	10,383	7,110	17,493	–	17,493
	1,226,043	558,193	364,138	214,118	2,362,492	7,110	2,369,602	–	2,369,602
Elimination of intersegment revenue					(10,383)	(7,110)	(17,493)	–	(17,493)
Revenue					2,352,109	–	2,352,109	–	2,352,109
Segment results	71,221	65,753	60,788	72,484	270,246	40,339	310,585	–	310,585
Non-controlling interests							76,213	–	76,213
Profit for the period before material non-recurring incomes or expenses							386,798	–	386,798
Changes in fair value of investment properties, net of tax							37,266	–	37,266
Gain on disposal of subsidiaries, net of tax							22,615	20,538	43,153
Others							(1,941)	–	(1,941)
Share option expense							(14,517)	–	(14,517)
Profit for the period							430,221	20,538	450,759

Six months ended 30 June 2016 (Unaudited)

	Continuing operation							Discontinued Operations	
	Tourist attraction and related operations	Travel agency, travel document and related operations	Hotel operations	Passenger transportation operations	Total of reportable segments	Corporate and others	Total	Power generation operations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:									
Sales to external customers	809,542	525,886	345,197	139,468	1,820,093	–	1,820,093	–	1,820,093
Intersegment revenue	6,123	2,595	2,058	998	11,774	7,160	18,934	–	18,934
	815,665	528,481	347,255	140,466	1,831,867	7,160	1,839,027	–	1,839,027
Elimination of intersegment revenue					(11,774)	(7,160)	(18,934)	–	(18,934)
Revenue					1,820,093	–	1,820,093	–	1,820,093
Segment results	64,123	65,057	38,439	83,485	251,104	(25,510)	225,594	–	225,594
Non-controlling interests							69,162	–	69,162
Profit for the period before material non-recurring incomes or expenses							294,756	–	294,756
Changes in fair value of investment properties, net of tax							21,730	–	21,730
Gain on disposal of subsidiaries, net of tax							21,061	–	21,061
Others							1,658	–	1,658
Profit for the period							339,205	–	339,205

Certain comparative figures have been reclassified to conform to the current period's presentation. These reclassifications have no impact on the Group's total equity as at both 30 June 2017 and 31 December 2016, or on the Group's profits for the six months ended 30 June 2017 and 2016.

5 REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the period.

	Unaudited	
	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Tourist attraction and related operations	**1,219,608**	809,542
Travel agency, travel document and related operations	**556,295**	525,886
Hotel operations	**362,740**	345,197
Passenger transportation operations	**213,466**	139,468
Total	**2,352,109**	1,820,093

6 OTHER INCOME AND GAINS, NET

	Unaudited	
	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Gross rental income	**20,722**	19,920
Foreign exchange differences, net	**2,677**	(25,334)
Government grants received	**5,849**	3,013
Income from financial assets at fair value through profit or loss	**28,423**	26,712
Gain on disposal of subsidiaries	**28,570**	21,061
Others	**29,737**	29,416
	115,978	74,788

7 OPERATING PROFIT

The Group's operating profit is arrived at after charging:

	Unaudited	
	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Staff costs	**604,518**	568,185
Depreciation	**210,215**	215,064
Amortisation of prepaid land lease payments	**15,490**	13,003
Amortisation of other intangible assets	**1,481**	1,556
Minimum lease payments under operating leases:		
Land and buildings	**40,270**	41,107
Plant and machinery and motor vehicles	**4,196**	4,947

8 FINANCE INCOME, NET

	Unaudited	
	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Interest income:		
Bank deposits and entrustment loans	**26,482**	46,929
Finance income	**26,482**	46,929
Interest expense:		
Bank borrowings, overdrafts and other borrowings		
- Wholly repayable within five years	**(2,311)**	(6,157)
Finance costs	**(2,311)**	(6,157)
Finance income, net	**24,171**	40,772

9 TAXATION

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

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the period.

The Group's operations in Mainland China are subject to PRC corporate income tax at applicable tax rate. In addition, withholding income tax is imposed on dividends relating to any profits earned.

Taxation outside Hong Kong and Mainland China has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the territories in which the Group operates.

The amount of taxation charged to condensed consolidated income statement represents:

	Unaudited	
	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Current taxation		
Hong Kong	**33,561**	19,835
Mainland China and other territories	**15,652**	66,954
Deferred taxation	**17,198**	3,830
	66,411	90,619

10 DIVIDENDS

The Board recommends the payment of an interim dividend of HK3 cents per ordinary share (2016: HK2 cents) for the six months ended 30 June 2017 to shareholders on the register of members on 22 September 2017.

11 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

Basic earnings per share is calculated by dividing the Group's profit attributable to equity owners by the weighted average number of ordinary shares in issue during the period.

Basic

	Unaudited	
	Six months ended 30 June	
	2017	2016
Profit from continuing operations attributable to equity owners of the Company *(HK$'000)*	**354,008**	270,043
Profit from discontinued operations attributable to equity owners of the Company *(HK$'000)*	**20,538**	—
	374,546	270,043
Weighted average number of ordinary shares in issue	**5,446,329,591**	5,509,058,360
Basic earnings per share from continuing operations *(HK cents)*	**6.50**	4.90
Basic earnings per share from discontinued operations *(HK cents)*	**0.38**	—
	6.88	4.90

Diluted

Diluted earnings per share for the six month ended 2017 and 2016 is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Share option is the only category of dilutive potential ordinary shares of the Group. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the company's average market share price for the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Unaudited	
	Six months ended 30 June	
	2017	2016
Profit from continuing operations attributable to equity owners of the Company *(HK$'000)*	**354,008**	270,043
Profit from discontinued operations attributable to equity owners of the Company *(HK$'000)*	**20,538**	—
	374,546	270,043
Weighted average number of ordinary shares in issue		
Adjustments for:		
- Share options	**2,760,958**	4,162,286
Weighted average number of ordinary shares for diluted earnings per share	**5,449,090,549**	5,513,220,646
Diluted earnings per share from continuing operations *(HK cents)*	**6.49**	4.90
Diluted earnings per share from discontinued operations *(HK cents)*	**0.38**	—
	6.87	4.90

12 TRADE RECEIVABLES

The Group allows an average credit period ranging from 30 to 90 days to its trade debtors. The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of the provision for impairment, is as follows:

	Unaudited	Audited
	30 June	31 December
	2017	2016
	HK$'000	*HK$'000*
Within 3 months	**153,485**	167,789
3 to 6 months	**10,787**	7,602
6 to 12 months	**9,616**	5,293
1 to 2 years	**1,603**	809
Over 2 years	**—**	924
	175,491	182,417

13 TRADE PAYABLES

At 30 June 2017, the ageing analysis of trade payables, based on the invoice date, is as follows:

	Unaudited	Audited
	30 June	31 December
	2017	2016
	HK$'000	*HK$'000*
Within 3 months	**307,405**	327,790
3 to 6 months	**13,709**	14,431
6 to 12 months	**10,809**	6,603
1 to 2 years	**6,822**	4,965
Over 2 years	**27,662**	26,150
	366,407	379,939

14 BUSINESS COMBINATIONS

(a) A joint venture company reclassified as a subsidiary

On 1 January 2017, Macao CTS Passenger Road Transport Company LTD. became a subsidiary of the Group after the revision of memorandum and articles which enable the Group to exercise exclusive decision making rights in all activities, including but not limited to operation and financing activities. The joint venture company had a carrying net asset value of approximately HK$73,424,000 before the change of control.

As at 30 June 2017, the fair value assessment of above business combination activity is in progress. The relevant fair values of net assets are on a provisional basis.

(b) Acquisition of a subsidiary

On 30 March 2017, the Group acquired 100% of the issued shares in Associated Motor Service and Repair Limited, a company focus on passenger transportation, for a consideration of approximately HK$55,340,000 (subject to further adjustment).

As at 30 June 2017, the fair value assessment of above business combination activity is in progress. The relevant fair values of net assets are on a provisional basis.

15 DISPOSAL OF A SUBSIDIARY

In 2016, a wholly-owned subsidiary of the Company, Wisepak Enterprises Limited, entered into an agreement with a third party to dispose of the entire 60% interest of its indirect non-wholly owned subsidiary, Yangzhou Grand Metropole Hotel ("Yangzhou Hotel"), at a consideration of approximately RMB52,650,000. The Yangzhou Hotel operates hotel in Mainland China. The transaction was completed in February 2017 and resulted in a gain of approximately HK$29,000,000.

16 DISCONTINUED OPERATIONS

In March 2015, the Company entered into an agreement with its immediate holding company, China Travel Service (Holdings) Hong Kong Limited, to dispose of the entire interest of its wholly-owned subsidiary, Chadwick Developments Limited for a consideration of RMB510 million (equivalent to approximately HK$643 million and subject to further adjustments). The disposal was approved by the shareholders in May 2015. Chadwick Developments Limited owns 51% equity interest in Shaanxi Weihe Power, which is principally engaged in the operation of power generation in Mainland China and was then an associate of the Group.

As power generation operation was identified as one of separate operating business of the Group by management, the operations of Shaanxi Weihe Power was classified as discontinued operations in the condensed consolidated interim financial statements. The disposal was completed in June 2015. The net loss on contingent consideration for the year ended 2016 was approximately HK$65 million. During the period ended 30 June 2017, the net profit on contingent consideration was approximately HK$21 million.

Management's Discussion and Analysis

In the first half of 2017, a year-on-year increase of 6.9% in the gross domestic product was recorded. The macro-economy remained stable yet showed improvement. The tourism industry still maintained a double-digit growth higher than the economic growth rate. The Company continued to improve the operational management effectiveness of its subsidiaries by proactively capitalizing on the positive macro-economic trends, keeping abreast of changes in tourism market trends, constantly enriching product offerings and adopting innovative marketing skills. Meanwhile, the Company focused on the enhancement of quality and efficiency, improved its construction capability and strengthened its efforts to turnaround its business, while continuing to enhance its operational management ability.

Results Overview

In the first half of the year, the Company's consolidated revenue was HK$2,352 million, representing a 29% increase compared with the same period last year. Profit attributable to shareholders was HK$375 million, representing a 39% increase compared with the same period last year. Profit attributable to the operating tourism business was HK$311 million, representing a 38% increase compared with the same period last year, evidencing a strong growth momentum for the core tourist attraction operations.

The Company's financial position remained stable and healthy, with strong investing and financing capabilities. As of 30 June 2017, total assets were HK$20,311 million, a 2% increase compared with the end of last year; the equity attributable to shareholders was HK$15,225 million, a 4% increase compared with the end of last year; cash and bank balances and other wealth management products amounted to HK$4,974 million, of which cash and bank balances amounted to HK$2,863 million and deducting bank loans and other borrowings of HK$135 million, net cash was HK$2,728 million, a 29% decrease compared with the end of last year.

Dividend

The Board declared an interim dividend of HK3 cents (2016 interim dividend: HK2 cents per share) per share for the six months ended 30 June 2017. The interim dividend is to be paid to our shareholders on 10 October 2017. The dividend payout ratio is approximately 44%.

CORE PRINCIPAL OPERATIONS AND OPERATION FIGURES

(I) Travel Destination Operations

1. Business overview

Business categories	Company name
City hotels	Five hotels in Hong Kong and Macau Two hotels in Mainland China (one of which has been disposed of during the period) CTS H.K. Metropark Hotels Management Company Limited
Theme parks	Shenzhen The World Miniature Co., Ltd. ("Window of the World") Shenzhen Splendid China Development Co, Ltd. ("Splendid China")
Natural and cultural scenic spot destinations	CTS (Dengfeng) Songshan Shaolin Culture Tourism Co., Ltd ("Songshan Scenic Spot") CTS (Ningxia) Shapotou Tourist Spot Co., Ltd and CTS (Ningxia) Shapotou Cable Car Co.,Ltd ("Shapotou Scenic Spot") Jiangxi Xing Zi Lu Shan Xiu Feng Passage Cable Car Co., Ltd ("Lu Shan Xiu Feng Cable Car")

Leisure resort destinations	China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd ("Zhuhai OSR") Xianyang Ocean Spring Resort Co., Ltd ("Xianyang OSR") CTS (Anji) Tourism Development Company Limited ("Anji Company")
Non-controlling scenic spot investments	Huangshan Yuping Cable Car Company Limited Huangshan Taiping Cable Car Co., Ltd. Changsha Colorful World Company Limited ("Changsha Colorful World") Nanyue Cable Car Co., Ltd., which has been disposed of during the period Changchun Jingyuetan Youle Co. Ltd.
Supplementary tourist attraction operations	CTS Tycoon (Shenzhen) Golf Club Company Limited ("Golf Club") China Heaven Creation International Performing Arts Co., Ltd. ("Heaven Creation")

In the first half of 2017, total revenue of the Company's travel destination operations was HK$1,583 million, a 37 % increase compared with the same period last year; and attributable profit was HK$132 million, a 29% increase compared with the same period last year. During the period under review, attributable profit of the tourist attraction and related operations, which account for the largest portion of the travel destination operations, and the hotel operations increased by 11% and 58% year on year, respectively. The two categories achieved better performance and thus maintained a strong growth momentum of the travel destination operations.

2. *Key operation figures*

In the first half of the year, revenue of the Company's hotel operations was HK$363 million, a 5% increase compared with the same period last year; and attributable profit was HK$61 million, a 58% increase compared with the same period last year. In February of the year, the Company completed the disposal of Yangzhou Metropark Hotel in Mainland China and recorded a gain of HK$29 million from the disposal.

	1H2017	1H2016
Five hotels in Hong Kong and Macau		
Average occupancy rate *(%)*	**92**	81
Average room rate *(HK$)*	**747**	713
Two hotels in Mainland China		
Average occupancy rate *(%)*	**57**	62
Average room rate *(RMB)*	**596**	446

In the first half of 2017, the Company's theme parks, natural and cultural scenic spots and leisure resorts served an aggregate of approximately 5.2 million tourists, an increase of 8% compared with the same period last year.

Revenue of theme parks was HK$364 million, a 1% increase compared with the same period last year; and attributable profit was HK$68 million, a 4% increase compared with the same period last year. Window of the World enhanced the e-commerce cooperative model. In the first half of the year, the number of visitors to the theme park and revenue brought by the e-commerce channels increased by 133% and 70% respectively. The theme park increased its marketing efforts, resulting in a year-on-year increase of 24% in terms of group visit. Splendid China launched brand new products such as "Legend of Desert", Rotating House, etc. to deeply explore the folk cultures and innovatively organized relevant special themed events which received satisfactory market response. By strengthening the cooperation with online travel agents, e-commerce operations saw a year-on-year growth of 108% while the student travel market grew by 33% year on year. New contracts for five management projects were signed, which expedited the development of the asset-light business in Mainland China.

Revenue of natural and cultural scenic spots was HK$213 million, a 5% decrease compared with the same period last year; and attributable profit was HK$12 million, a 61% increase compared with the same period last year. Shapotou Scenic Spot carried out various marketing activities, bringing about satisfactory results and a year-on-year growth in revenue of 5%. With a strong focus on the enhancement of service quality, the scenic spot was awarded the title of the National Benchmark Entity for Tourist Service Quality. Songshan Scenic Spot optimized its structure and systems, intensified infrastructure transformation and the comprehensive management of the scenic spot, expanded into the specific tour markets, as well as proactively planning for new profit-making projects. Meanwhile, the Company has disposed of a loss-making entity, CTS (Xinyang) Jigongshan Culture Tourism Co., Ltd., last year, thus further optimizing the Group's asset structure. Revenue of leisure resort destinations was HK$569 million, a 226% increase compared with the same period last year; and attributable loss was HK$17 million, a decrease compared with the same period last year. The increase in revenue was mainly due to sales revenue of HK$274 million and HK$140 million from the real estate projects of Ocean Spring Resort Garden and Anji respectively, and loss reduction was mainly due to the profit of HK$10 million from the two real estate projects. Xianyang OSR proactively coped with difficulties and enhanced its marketing activities. At the same time, more efforts were put into cost control in order to achieve loss reduction. Attributable profit of non-controlling scenic spot investments was HK$18 million, a 15% decrease compared with the same period last year. Such decrease in attributable profit was due to the decrease in the number of visitors to Changsha Colorful World under the influence of bad weather during the peak seasons. Revenue of supplementary tourist attraction operations was HK$74 million, a 38% increase compared with the same period last year. Attributable loss was HK$10 million and loss reduction was achieved. Heaven Creation made new progress in its business transformation. In the first half of the year, it completed six innovative planning and design projects.

(II) Travel Agency, Travel Document and Related Operations

The Company's travel agency, travel document and related operations comprise travel agency business (China Travel Service (Hong Kong) Limited and overseas travel agencies) and travel document business.

In the first half of 2017, revenue of the Company's travel agency, travel document and related operations was HK$556 million, a 6% increase compared with the same period last year; and attributable profit was HK$66 million, a 1% increase compared with the same period last year.

(III) Passenger Transportation Operations

In the first half of 2017, revenue of passenger transportation operations was HK$213 million, a 53% increase compared with the same period last year; and attributable profit was HK$72 million, a 13% decrease compared with the same period last year. The year-on-year increase in revenue was mainly due to the revenue contribution from Macau CTS Passenger Road Transport Company Limited, which was previously a jointly-controlled entity but subsequently classified as a subsidiary of the Company in accordance with its amended articles of association. The year-on-year decrease in profit was attributable to the price competition between China Travel Tours Transportation Services Hong Kong Limited and its competitors, the impact of the online car booking service and the rise in fuel price. The higher depreciation after the renewal of coaches resulted in lower gross margin. In respect of the associate Shun Tak-China Travel Shipping Investments Limited, although the number of passengers and operating revenue increased, the higher fuel price and vessel maintenance cost led to a decrease in profit.

Progress on Key Initiatives

In the first half of 2017, the overall operating conditions remained stable yet showed improvement. The management and staff united together and achieved improvements in effectively pushing forward the key initiatives.

1. Adopting multiple measures to generate revenue and increase efficiency

The Company organized the "Increasing Revenue in 100 Days" campaign and the subsidiaries put considerable effort into product renewal, marketing, service enhancement, cost control, price reduction, etc. with highlights and achievements. At the same time, the Company spared no effort to push forward the management of loss-making businesses and obtained improvements. Zhuhai OSR introduced the "All-inclusive Price" plan, strengthened the collaboration with online travel agents and formulated the new "Marketing + Direct Sales for All" model, which considerably increased revenue from package tickets year on year and drove the number of people buying the three main tickets to increase by approximately 54% year on year. Xianyang OSR commenced the overall upgradation and renovation project for the hot springs, and some projects with lower utilization rates were improved. Meanwhile, great effort was put into cost control and cost reduction was achieved in the first half of the year.

2. Soundly pushing forward the new business

The Company separated the duties of the management, set up regional chief representative offices, researched and developed main products, established professional companies and adopted other measures to increase its capabilities for overcoming challenges. With significant progress in the negotiations, "China Travel National Holiday Park" was expected to be initially built in China. The project with Sichuan Tourism Investment Group and the projects in Dali, Yunnan and Tongnan District, Chongqing achieved initial results. Two contracts for management business were signed. The Company and Guangdong Wisdom Scenery Marketing Co., Ltd. jointly established a sino-foreign joint venture, China Travel Zhiye Culture Development (Shenzhen) Co., Ltd., to promote and develop tourism planning business.

3. Achieving substantial results for the key initiatives

The Company finished formulating its "13th Five-Year" strategic plan and further defined its future development paths. Anji Company completed the pre-sale of 163 residential units in the first phase of its real estate project at about HK$270 million, of which approximately HK$140 million was recorded as sales revenue during the period. An aggregate of 684 residential and commercial units of Ocean Spring Resort Garden were sold at about HK$330 million, of which approximately HK$274 million was recorded as sales revenue during the period.

During the period under review, an aggregate of 1,535 residential units of the Zhuhai Ocean Spring real estate project jointly developed with Evergrande Real Estate Group were sold, representing 60% of the total sales volume of the residential units. As these properties have not been handed over to buyers, no share of profit was recorded in the Company. It is expected that possession will be handed over to buyers in stages before the end of December 2018.

The Company is in negotiation with the relevant government authorities in respect of the request for the golf course of the Golf Club to exit the occupied water protection zone.

4. Fully strengthening the management of the Company

The Company's management frequently visited the subsidiaries to conduct investigation and research and solve their problems. Daily supervision was continuously intensified, and the supervision and inspection of the key areas such as tendering, procurement and construction were also strengthened. The corporate governance structure of the Company was continuously enhanced and the work mechanisms including internal communication were further improved. The Company emphasized both devolution and management while optimizing the control of the headquarters and the subsidiaries. Incentive program for new business, management services and the talent referral were introduced, and the incentives for exceeding the performance indicators were increased. The Company developed and launched the appraisal incentive program with the subsidiaries.

THE COMPANY'S DEVELOPMENT STRATEGY

Through the major strategic focuses of developing main products, establishing presence in key areas and promoting digital construction, the Company will maintain the strategic position of being an investor, developer and operator of top-tier travel destinations, so as to achieve the strategic goal of "creating a new travel destination and leading a new lifestyle for mass tourism".

In respect of product research and development, the Company mainly aims to enhance the quality and capacity, and transform and upgrade the existing projects. Based on the existing product structure which focuses on sightseeing in scenic spots, the Company will conduct in-depth market research and analysis to develop supplementary services including accommodation, catering, interactive entertainment and cultural experience based on consumers' demand, thereby developing comprehensive travel destinations and diversifying the revenue structure. The Company will fully capitalize on its own brand advantages and market influence to launch the strategic specific product "National Holiday Parks", which is expected to be developed in the scenic spots of different travel destinations. The Company will actively conduct research on the "Travel+" business model and together with strategic partners, explore new travel destination products which combine tourism and other industries such as health tourism, cultural tourism, snow tourism, academic tourism, etc. to expand the industry coverage of travel destinations.

To further enrich the product offerings of the travel destination platform, the Company plans to establish professional joint ventures focusing on the research and development of a wide range of travel innovations. The continuous provision of travel innovations and new service products allows all the travel destinations to be revitalized and upgraded continuously, bringing about sustainable momentum.

In terms of strategic layout, the Company will focus on the areas with rich resources, concentrated distribution of customers and major national strategic development, and allocate the quality projects there. First, in the Beijing-Tianjin-Hebei synergistic development area, the Company will place emphasis on the economic zone around the capital and the hinterland and make use of the rich historical cultures as well as the landscape resources of the region to develop the China Travel National Holiday Park. Second, with the "One Belt One Road" as the theme of development, the Company will explore the historical, splendid and diverse cultural elements of the ancient Silk Road and proactively capture the opportunities for cultural tourism projects in the relevant cities of China and in the countries along the route, while focusing on the development of quality resources in the large tourist provinces of Sichuan and Yunnan. Third, in Southern China, the Company will focus on Guangxi, Hainan and Guangdong-Hong Kong-Macau Bay Area. Capitalizing on the favorable climatic conditions, the regional advantages of Pearl River Delta as an economic and transportation hub, Hong Kong's advantageous international status and the distinguished Lingnan culture, the Company will push forward the development of the natural and cultural tourism resources to create world-class city travel destinations such as Hainan Aviation City, Guangxi National Holiday Park, etc., as well as unique leisure resort destinations.

In respect of digital construction, the Company will first formulate its informatization plans properly, establish the relevant informatization standards to scenic spot operations and lay the foundation for information standardization. Second, the Company will construct digital scenic spots and the integrated information system, build a big data platform for the customer resources of scenic spot sectors and take technical measures such as mobile Internet, cloud computing, big data, etc. to enhance customer experience. Third, the Company will enhance the systems in support of its management and decision-making so as to improve the management efficiency.

In addition, the Company will optimize the asset structure and proactively explore the asset restructuring plan for the hotels to improve the business structure based on the Company's strategic positioning. The Company will study the spin-off plans for certain developed projects in a bid to enhance the overall valuation in the capital market. Moreover, the Company will continue to negotiate for the introduction of strategic investors at both the company and subsidiary levels, so as to optimize the shareholders' structure and support the Company's development.

KEY INITIATIVES IN THE SECOND HALF OF THE YEAR

In the second half of 2017, the Company seeks to identify the problems and risks existing in its management and operation. Concentrating on its annual performance target, the Company will strive to carry out the following key initiatives to ensure its healthy and rapid development:

1. Further increasing the efforts to raise revenue and turn around loss

The Company will continue to carry out the "Increasing Revenue in 100 Days" campaign with increased efforts to strive for better results in revenue during the action period. Meanwhile, the Company will strengthen the communications with subsidiaries as well as coordinating and supervising their efforts in revenue and efficiency enhancement. The completion of the lighting retrofit of Window of the World, the implementation of the Nadamu project by Splendid China and the increased efforts in management services will help to achieve a steady growth. Anji Company will make every effort to sell the last batch of property units in the first phase while minimizing the loss from the opening of the hotel. Shapotou Scenic Spot and Songshan Scenic Spot will enrich the product offerings and strengthen the branding and marketing efforts, thereby achieving a double-digit growth in both revenue and profit. The Company will strive to turn around the loss of Zhuhai OSR to an overall profit for the year and for Xianyang OSR, increase the annual revenue and reduce the loss. The Company will complete the disposal plan for the idle land in order to record gains for the year. Inefficient property assets in Hong Kong will also be revitalized.

2. Fully developing and implementing new projects

The Company will, according to the strategic plan, proactively execute the framework agreements entered into with various provinces and their platform companies at the beginning of the year to push forward the implementation of the cooperative investment projects. The Company will carry out research and development for the product "China Travel National Holiday Park", and may select either Chengde, Hebei or Guangxi for development, so as to enhance the product structure as well as achieving a replicable model. Capitalizing on the development trends of Hainan becoming an international tourism island, the Company will study on the development of Hainan Aviation City as an international landmark travel destination. Through a number of means such as making exclusive investment and setting up joint ventures with various tourism investment groups, the Company will proactively seize the quality projects in the provinces with rich resources including Sichuan and Yunnan. The tourism planning business will be continuously enhanced and developed, and a company specializing in scenic spot management will be established to expand the management business.

3. Firmly focusing on the development of the key initiatives

The Company will strive to complete the planning and preparation work for the Zhuhai OSR Phase 2 Project to determine the development and construction model for Phase 2 and commence the Project ahead of schedule. The construction plan of Songshan Shaolin Town will be further optimized and improved; the formulation of the five-year development plan for Songshan Scenic Spot will be completed; and the tourist distribution center, San Huang Zhai cable car and other construction projects at Songshan Scenic Spot will be developed and implemented. For Shapotou Scenic Spot, the expansion project will be implemented efficiently with high quality delivered. Anji Company strives to commence the real estate project in Zone B and Zone C and obtain the contracted land parcels at discounted rates, as well as making efforts to increase its revenue.

4. Firmly and effectively pushing forward reforms and innovations

With the aim of enhancing the ability in resources consolidation, professionalism and management, the Company will study and propose systematization plans and measures to increase its overall competitiveness. By strengthening the research on the macro-economic situations and the relevant policies, the Company will closely track the latest development of travel products, business styles and technologies, as well as proactively seeking development opportunities. The Company will pursue informatization and digitalization to push forward the reforms and development of the Company while commencing the construction of the standardization system for operation and management. The internal professional training is to be strengthened and improved so as to build up reserves of talents in strategic planning, marketing as well as operation and management. The Company will proactively support Heaven Creation and China Travel Hi-Tech Computer Hong Kong Ltd. in their transformation and development in pursuit of a development path to marketization, professionalization, uniqueness and sustainability.

BUSINESS PROSPECTS

The tourism industry is experiencing profound changes with constant emergence of new business styles and new models. The leading private and foreign-owned travel companies accelerates business expansion and the market competition becomes more intense, which brings increasing challenges to the Company. Yet, as both China's GDP per capita and the residents' consumption increase continuously, the demand for travel consumption is expected to grow continuously at a relatively fast rate. Together with the support from the PRC government for the tourism industry, the investment in the tourism industry will continue to see relatively fast growth. The industry remains in an expansionary phase.

At present, the business structure of the Company is further optimized and the core tourism operations are further strengthened. The fundamentals of the Company's overall business remain strong and healthy. With ample cash, the Company possesses the strengths and capabilities for investment and development. The Company is fully confident in the prospects of future development guided under its proven development strategy.

In the second half of the year, under the guidance of the Board and with the efforts of all the employees, the Company will adhere to its overall development strategy to strengthen the execution of strategy, enhance the operation and management of existing businesses, actively explore new projects, innovate on business models, systemize the product offerings, and strive to create value so as to bring a more favourable return to shareholders.

NUMBER AND REMUNERATION OF EMPLOYEE

As at 30 June 2017, the Group had 9,114 employees. The employees are remunerated based on their work performance, professional experience and prevailing industry practices. The remuneration policy and package of the Group's employees are periodically reviewed by the management. Apart from the retirement benefit and in-house training programs, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The financial position of the Group was strong. The Group generally finances its operations with internally generated cash flows and loan facilities from banks. As at 30 June 2017, the cash and bank balances of the Group amounted to HK$2,863 million whereas the bank and other borrowings amounted to HK$135 million. The debt-to-capital ratio was 15% and the debt includes bank and other borrowings, trade and other payables, loan from a holding company, amounts due to holding companies and fellow subsidiaries.

FOREIGN EXCHANGE RISK

The Group has certain assets, borrowings, and major transactions which are denominated in foreign currencies, thus is exposed to a certain level of foreign currency risk. The Group has not engaged in any particular hedge against foreign exchange risk. The Group will closely monitor and manage foreign currency exposure and to make use of appropriate measures when required.

CHARGE ON ASSETS

As at 30 June 2017, the Group's bank deposits of approximately HK$62 million (31 December 2016: HK$60 million) were pledged to banks to secure certain credit facilities granted by suppliers to the Group's subsidiaries, and certain bank guarantees given in lieu of utility and rental deposits.

As at 30 June 2017, certain of the Group's buildings with net carrying amounts of HK$1,591,000 (31 December 2016: HK$1,916,000) were pledged to secure bank guarantees given to suppliers in connection with credit facilities granted.

CONTINGENT LIABILITIES

As at 30 June 2017, the Group' performance bond given to a customer for due performance of a sale contract was HK$0.3 million (31 December 2016: HK$0.3 million).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

The Group is committed to maintain high standards of corporate governance to safeguard the interests of shareholders and other stakeholders and enhance shareholder value. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance.

For the six months ended 30 June 2017, the Company has complied with the code provisions (the "Code Provision(s)") of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviations:

– Code Provision A.4.1 specifies that Non-Executive Directors should be appointed for a specific term, subject to re-election. Although the Company's Non-Executive Directors do not have a specific term of appointment, pursuant to the Company's articles of association (the "Articles"), at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Board considers that such requirements are sufficient to meet the underlying objective and spirit of the relevant Code Provisions.

– Code Provision D.1.4 specifies that the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors because all Directors are subject to retirement by rotation at least once every three years in accordance with the Articles. In addition, the Directors are expected to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors, the directors of the Company confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2017.

DIVIDEND

The Board has declared an interim dividend of HK3 cents per share (2016: HK2 cents) for the six months ended 30 June 2017. The interim dividend will be paid to the shareholders whose names appear on the Register of Members of the Company at the close of business on Friday, 22 September 2017. The interim dividend will be paid on Tuesday, 10 October 2017.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 20 September 2017 to Friday, 22 September 2017 (both dates inclusive), for the purposes of determining entitlements to the interim dividend. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 19 September 2017.

REVIEW OF INTERIM FINANCIAL INFORMATION

The unaudited condensed interim financial information of the Group for the six months ended 30 June 2017 has been reviewed by the Audit Committee of the Company.

The condensed consolidated interim financial information for the six months ended 30 June 2017 has not been audited but has been reviewed by the Company's external auditors, PricewaterhouseCoopers.

PUBLICATION OF 2017 INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the HKExnews website at www.hkexnews.hk and the Company website at www.irasia.com/listco/hk/ctii/. The 2017 Interim Report will be available on the HKExnews and the Company websites, and despatched to the shareholders of the Company in due course.

By order of the Board
Zhang Fengchun
Chairman

Hong Kong, 29 August 2017

As at the date of this announcement, the Board of the Company comprises five executive Directors, namely Mr. Zhang Fengchun, Mr. Lo Sui On, Mr. Zhang Xing, Mr. Liu Fengbo and Mr. Chen Xianjun; and four independent non-executive Directors, namely Dr. Fong Yun Wah, Mr. Wong Man Kong, Peter, Mr. Sze, Robert Tsai To and Mr. Chan Wing Kee.