Well Way Group Limited

(Formerly known as "Trasy Gold Ex Limited")

(Incorporated in the Cayman Islands with limited liability)
Stock code: 08063

2013 Interim Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of Well Way Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this report misleading.

MANAGEMENT DISCUSSION & ANALYSIS

CHANGE OF COMPANY NAME

The special resolution regarding change of company name from "Trasy Gold Ex Limited" to "Well Way Group Limited" (the "Company") and the dual foreign name from "卓施金網有限公司" to "和滙集團有限公司" was passed at the annual general meeting held on 29 May 2013. The board of Directors ("Board") considers that the change of company name provided the Company with a new corporate image and to reflect the Company's strategy to diversify the business of the Company and its subsidiaries (collectively, the "Group"). The Board further believes that the new company name can provide the Company with a fresh identity and image which will benefit the Company's future business development and is in the interest of the Company and its shareholders as a whole.

FINANCIAL REVIEW

The Group recorded a loss attributable to owners of the Company of HK$20,785,000 for the six months ended 30 June 2013 (for the six months ended 30 June 2012: HK$7,168,000), representing basic loss per share of HK 16.64 cents (for the six months ended 30 June 2012: HK 5.74 cents).

Revenue and profitability

For the six months ended 30 June 2013, the consolidated revenue of the Group amounted to HK$23,464,000, representing 21.9% decrease compared to HK$30,035,000 for the last corresponding period. The decrease was due to the continuous volatile global financial, political, haze and virus outbreak situation which affects the business travel as well as leisure travel.

The revenue arising from travel business consists of agency commission and service income (both from customers and suppliers) generated from the provision of travel related products and services, including airtickets, hotel rooms, Free Independent Traveler ("FIT") packages and ground transportation handling services.

Corporate customers are business travelers who require travel products and services for their travel purposes. Wholesale customers are usually travel services providers who purchase airtickets, hotel rooms, FIT packages and other travel related products. Meetings, Incentives, Conventions and Exhibitions ("MICE") customers refer to customers who are mainly corporate customers, convention organizers and special projects organizers who require one stop professional MICE/special project/event management services.

Other income

Other income for the six months ended 30 June 2013 amounted to HK$944,000 representing 24.5% increase compared to HK$758,000 for the six months ended 30 June 2012. The increase mainly represented the increase in incentive from a global distribution system provider.

Expenditure

For the reported period, staff costs amounted to HK$19,794,000 (for the six months ended 30 June 2012: HK$19,807,000). Depreciation and amortization expenses for the period amounted to HK$7,027,000 (for the six months ended 30 June 2012: HK$6,676,000).

During the period, the Group recognised an impairment loss on goodwill amounting to HK$9,000,000 (for the six months ended 30 June 2012: Nil) arising from the acquisition of existing travel business.

LIQUIDITY AND FINANCIAL RESOURCES

The Group still maintains a strong and healthy balance sheet during the period. As at 30 June 2013, the working capital, calculated by current assets less current liabilities, of the Group was of HK$177,041,000 (as at 31 December 2012: HK$187,006,000), representing a decrease of 5.3% as compared to 31 December 2012.

As at 30 June 2013, the Group's current ratio was 3.2 times (as at 31 December 2012: 5.0 times), calculated by current assets of HK$258,333,000 (as at 31 December 2012: HK$233,697,000) divided by current liabilities of HK$81,292,000 (as at 31 December 2012: HK$46,691,000) and the gearing ratio is zero as at 30 June 2013 and 31 December 2012.

During the period, net cash from operating activities amounted to HK$9,253,000 compared to net cash used in operating activities of HK$24,344,000 last period.

Net cash used in investing activities for the period was HK$1,033,000 (for the six months ended 30 June 2012: HK$4,666,000).

As a result, cash and cash equivalents of the Group as at 30 June 2013 was HK$107,103,000, compared with HK$99,067,000 as at 31 December 2012.

EXCHANGE RATE RISK

Foreign currency transactions have been translated into the functional currencies using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies were recognized in the income statements.

In the event of fluctuating foreign exchange rates, there is a risk exposure to that settlement of payment for customers and suppliers may not be reconciled. The exposed amount of foreign currencies would be monitored regularly, forward contracts would be entered for hedging the risks if considered necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, the total number of employees of the Group was 109.

The Group fixes and reviews the emoluments of its directors and staff based on the qualification, experience, performance and the market rates from time to time so as to maintain the remunerations of the directors and staff at a competitive level. Salary increment is normally approved annually or by special adjustment depending on length of services and individual performance. In addition to salaries, the Group provides employee benefits such as medical insurance and provident funds. Moreover, discretionary bonus and share options will be paid or granted to employees based on the Group's and individual performances.

The Company adopted a share option scheme (the "Scheme") at the annual general meeting of the Company held on 19 May 2011, under which the directors of the Company may, at their discretion, grant options to eligible participants which enable them to subscribe for shares in aggregate not exceeding 30% of the shares in issue of the Company from time to time (including shares which have been allotted and issued pursuant to any other share option scheme). No share options had been granted, lapsed or exercised during the period. As at 30 June 2013, 2,250,000 share options were outstanding.

The Group makes contributions to the Central Provident Fund Scheme in Singapore and the mandatory provident fund in Hong Kong for all qualifying employees in accordance with the statutory requirements in both territories.

PLEDGE OF ASSETS

As at 30 June 2013, trade receivables amounting to Singapore Dollar ("S$") 23,269,000 (equivalent to approximately HK$142,333,000) (31 December 2012: S$15,677,000 equivalent to approximately HK$99,355,000) have been pledged to a bank by way of a floating charge. The bank has provided performance guarantees to a subsidiary of the Company amounting to approximately S$8,500,000 (equivalent to approximately HK$51,992,000) (31 December 2012: S$14,000,000 equivalent to approximately HK$107,742,000) of which the amounts utilised as at 30 June 2013 were approximately S$4,404,000 (equivalent to approximately HK$26,938,000) (31 December 2012: S$7,793,000 equivalent to approximately HK$49,390,000). The performance guarantees have been given in favour to international airlines.

FUTURE BUSINESS STRATEGIES

In order to maintain the Group's sustainability and preservation of value over the longer term, the Group will continue to look for suitable investment opportunities and projects in other areas characterised by stable cash inflows.

CONTINGENT LIABILITIES

As at 30 June 2013, the Group had no material contingent liabilities.

SUBSEQUENT EVENTS

On 30 July 2013, Jade Emperor International Limited ("Jade Emperor"), an indirect wholly-owned subsidiary of the Company, entered into a venture participation agreement (the "Participation Agreement") with Matrix Triumph Sdn. Bhd. ("MTSB") and Discover Orient Holidays Sdn. Bhd. ("DOH") for participation and involvement in the business being conducted by DOH at a cash consideration of HK$14 million. Pursuant to the terms of the Participation Agreement, Jade Emperor is to manage DOH and its affairs including day-to-day running and the business and carry out the managerial tasks delegated by both the venturers (MTSB and Jade Emperor), and DOH shall pay to Jade Emperor a management fee which is equivalent to 90% of profit before tax of DOH. DOH is engaged principally in the business of operating as tours and travel agents in Malaysia.

In addition to the Participation Agreement, MTSB and Jade Emperor also entered into an option agreement on the same day, pursuant to which MTSB granted a call option to Jade Emperor to acquire the entire issued share capital in DOH at a price to be agreed by the parties at the time of exercise of the option.

Details of the transaction was disclosed in the Company's announcement dated 30 July 2013.

Other than as disclosed above, there have been no matters that have occurred subsequent to the period-end date which have significantly affected, or may significantly affect the Group's operation, results or state of affairs as at 30 June 2013.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF WELL WAY GROUP LIMITED
和滙集團有限公司
(FORMERLY KNOWN AS TRASY GOLD EX LIMITED)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Well Way Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 8 to 23, which comprise the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The GEM Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion on these condensed consolidated financial statements solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

14 August 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		Three months ended 30 June		Six months ended 30 June	
		2013	2012	**2013**	2012
	NOTES	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue		**12,556**	18,080	**23,464**	30,035
Other income		**341**	304	**944**	758
Precious metals used		**—**	(2,435)	**—**	(2,435)
Staff costs		**(9,272)**	(8,894)	**(19,794)**	(19,807)
Depreciation and amortisation expense		**(3,549)**	(3,531)	**(7,027)**	(6,676)
Impairment loss on goodwill		**(9,000)**	—	**(9,000)**	—
Other expenses		**(4,805)**	(5,045)	**(9,646)**	(8,903)
Loss before taxation		**(13,729)**	(1,521)	**(21,059)**	(7,028)
Taxation	4	**16**	(401)	**274**	(140)
Loss for the period	5	**(13,713)**	(1,922)	**(20,785)**	(7,168)
Other comprehensive (expense) income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operation		**(4,530)**	(2,000)	**(7,718)**	5,384
Total comprehensive expense for the period		**(18,243)**	(3,922)	**(28,503)**	(1,784)
Loss for the period attributable to owners of the Company		**(13,713)**	(1,922)	**(20,785)**	(7,168)
Total comprehensive expense attributable to owners of the Company		**(18,243)**	(3,922)	**(28,503)**	(1,784)
Loss per share (HK cents)	7				
Basic and diluted		**(10.98)**	(1.54)	**(16.64)**	(5.74)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	NOTES	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	**8,338**	10,035
Available-for-sale investments		**136**	136
Goodwill	9	**23,985**	34,011
Intangible assets	10	**99,520**	107,733
Other non-current assets		**250**	250
		132,229	152,165
CURRENT ASSETS			
Trade and other receivables	11	**151,230**	134,630
Bank balances and cash		**107,103**	99,067
		258,333	233,697
CURRENT LIABILITIES			
Trade and other payables	12	**79,048**	43,675
Tax payable		**2,244**	3,016
		81,292	46,691
NET CURRENT ASSETS		**177,041**	187,006
TOTAL ASSETS LESS CURRENT LIABILITIES		**309,270**	339,171
NON-CURRENT LIABILITY			
Deferred tax liabilities		**16,918**	18,316
		292,352	320,855
CAPITAL AND RESERVES			
Share capital	13	**1,249**	1,249
Share premium and reserves		**291,103**	319,606
TOTAL EQUITY		**292,352**	320,855

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Attributable to owners of the Company							
	Share capital	Share premium	Distributable reserve	Merger reserve	Share option reserve	Exchange reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013 (audited)	1,249	349,134	32,589	5,000	852	6,142	(74,111)	320,855
Loss for the period	—	—	—	—	—	—	(20,785)	(20,785)
Exchange differences arising on translation of foreign operation	—	—	—	—	—	(7,718)	—	(7,718)
Total comprehensive expense for the period	—	—	—	—	—	(7,718)	(20,785)	(28,503)
At 30 June 2013 (unaudited)	1,249	349,134	32,589	5,000	852	(1,576)	(94,896)	292,352
At 1 January 2012 (audited)	1,249	349,134	32,589	5,000	852	(7,307)	(40,526)	340,991
Loss for the period	—	—	—	—	—	—	(7,168)	(7,168)
Exchange differences arising on translation of foreign operation	—	—	—	—	—	5,384	—	5,384
Total comprehensive income (expense) for the period	—	—	—	—	—	5,384	(7,168)	(1,784)
At 30 June 2012 (unaudited)	1,249	349,134	32,589	5,000	852	(1,923)	(47,694)	339,207

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	**(5,038)**	(398)
Increase in trade and other receivables	**(21,743)**	(27,541)
Increase in trade and other payables	**37,211**	5,489
Cash generated from (used in) operations	**10,430**	(22,450)
Income tax paid	**(1,177)**	(1,894)
Net cash from (used in) operating activities	**9,253**	(24,344)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(1,039)**	(4,712)
Other investing activities	**6**	46
Net cash used in investing activities	**(1,033)**	(4,666)
Net increase (decrease) in cash and cash equivalents	**8,220**	(29,010)
Cash and cash equivalents at 1 January	**99,067**	119,435
Effect of foreign exchange rate changes	**(184)**	(137)
Cash and cash equivalents at 30 June represented by bank balances and cash	**107,103**	90,288

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Except for the presentational changes set out below, the application of other amendments to HKFRSs and interpretation in the current interim period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* in the current period. The amendments introduced new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a “statement of comprehensive income” is renamed as a “statement of profit or loss and other comprehensive income”. In addition, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The directors of the Company chose to rename the title of its condensed consolidated statement of comprehensive income to “condensed consolidated statement of profit or loss and other comprehensive income”. Other amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 has no material impact on the Group’s profit or loss, other comprehensive income and financial position in the current and prior periods.

Amendments to HKAS 34 Interim Financial Reporting
(as part of the Annual Improvements to HKFRSs 2009-2011 Cycle)

The Group has applied the amendments to HKAS 34 Interim Financial Reporting as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (CODM) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the CODM considered there was no material change in segment assets of the Group’s reportable segments for performance assessment and resource allocation purposes, the Group has not included segment asset information as part of segment information while the segment liabilities are presented in note 3.

3. SEGMENT INFORMATION

The Group's operations are currently organised into three operating divisions, namely travel business, precious metals trading and treasury management.

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

	Segment revenue		Segment (losses) profits	
	Six months ended 30 June		Six months ended 30 June	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Travel business	**23,464**	27,580	**(12,342)**	352
Precious metals trading	**—**	2,455	**—**	(174)
Treasury management	**—**	—	**—**	—
Total	**23,464**	30,035	**(12,342)**	178
Unallocated income			**56**	123
Unallocated expense			**(8,499)**	(7,469)
Loss for the period			**(20,785)**	(7,168)

	Segment revenue		Segment (losses) profits	
	Three months ended 30 June		Three months ended 30 June	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Travel business	**12,556**	15,625	**(9,449)**	1,980
Precious metals trading	**—**	2,455	**—**	(174)
Treasury management	**—**	—	**—**	—
Total	**12,556**	18,080	**(9,449)**	1,806
Unallocated income			**37**	6
Unallocated expense			**(4,301)**	(3,734)
Loss for the period			**(13,713)**	(1,922)

3. SEGMENT INFORMATION *(Continued)*

All of the segment revenue reported above are from external customers.

Segment (loss) profit represents the (loss) profit (incurred) earned by each segment without allocation of unallocated income (which mainly includes bank interest income of head office) and unallocated expenses (which mainly include central administration costs and directors' salaries). This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's liabilities by operating and reportable segments:

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Segment liabilities		
Travel business	**87,268**	57,400
Precious metals trading	**14**	14
Treasury management	**—**	—
Total segment liabilities	**87,282**	57,414
Unallocated liabilities	**10,928**	7,593
Consolidated liabilities	**98,210**	65,007

4. TAXATION

	Three months ended 30 June		**Six months ended 30 June**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
The tax charge (credit) comprises:				
Singapore Corporate Income Tax	**366**	774	**498**	890
Deferred taxation — current year	**(382)**	(373)	**(772)**	(750)
	(16)	401	**(274)**	140

4. **TAXATION** *(Continued)*

Singapore Corporate Income Tax is calculated at 17% in accordance with the relevant laws and regulations in Singapore.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries incurred tax losses.

5. **LOSS FOR THE PERIOD**

Loss for the period is arrived at after charging (crediting):

	Three months ended 30 June		**Six months ended 30 June**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Depreciation of property, plant and equipment	**1,305**	1,334	**2,490**	2,264
Amortisation of intangible assets	**2,244**	2,197	**4,537**	4,412
Operating lease payments for office premises and office equipment (included in other expenses)	**1,292**	1,419	**2,590**	2,731
Selling expenses (included in other expenses)	**490**	533	**1,109**	918
Legal and professional fees (included in other expenses)	**992**	1,012	**1,560**	1,720
Interest income	**(1)**	(12)	**(6)**	(46)

6. **DIVIDENDS**

No dividends were paid, declared or proposed for the periods ended 30 June 2013 and 2012, nor has any dividend been proposed since the end of both reporting periods.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss				
Loss for the purposes of basic and diluted loss per share	**(13,713)**	(1,922)	**(20,785)**	(7,168)
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share (in thousand shares)	**124,932**	124,932	**124,932**	124,932

Diluted loss per share does not assume the exercise of the Company's options because the exercise price of the options was higher than the average market price of shares for all periods and the assumed exercise of the share option would result in a decrease in loss per share.

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment for a cash consideration of HK$1,039,000 mainly for leasehold improvement (for the six months ended 30 June 2012: HK$4,712,000).

9. GOODWILL

	HK$'000
COST	
At 1 January, 2012 (audited)	55,454
Impairment loss	(24,000)
Exchange realignment	2,557
At 31 December, 2012 (audited)	34,011
Impairment loss	(9,000)
Exchange realignment	(1,026)
As 30 June, 2013 (unaudited)	23,985

For the impairment testing, goodwill, trade name and the customer relationship is allocated to the Group's cash generating units ("CGU") identified according to business segment which is the business travel segment.

The recoverable amount of the travel business CGUs was based on its value in use and was determined with the assistance of Ascent Partners Valuation Service Limited, an independent professional qualified valuer not connected with the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at a discount rate of 16.43% (31 December 2012: 16.63%). Cash flows after the five-year period were extrapolated using a 3.04% (31 December 2012: 2.67%) growth rate in considering the economic condition of the market.

The growth rates used to extrapolate cash flow projections beyond the five-year period do not exceed the long-term average growth rate for the industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations for the market development including the fluctuation in travel business in the current economic environment. Both actual sales and profit generated from the travel business segment in Singapore have fallen below expectation, and therefore the management has revised the cash flow projections.

The carrying amount of the assets allocated to the unit was determined to be higher than its recoverable amount and an impairment loss of HK$9,000,000 (for the six months ended 30 June 2012: nil) was recognised. The impairment loss was allocated fully to reduce the carrying amount of goodwill.

10. INTANGIBLE ASSETS

	Trade name	Customer relationship	Total
	HK$'000	*HK$'000*	*HK$'000*
COST			
At 1 January 2013 (audited)	59,245	64,651	123,896
Exchange realignment	(2,066)	(2,254)	(4,320)
At 30 June 2013 (unaudited)	57,179	62,397	119,576
AMORTISATION			
At 1 January 2013 (audited)	—	16,163	16,163
Provided for the period	—	4,537	4,537
Exchange realignment	—	(644)	(644)
At 30 June 2013 (unaudited)	—	20,056	20,056
CARRYING VALUES			
At 30 June 2013 (unaudited)	57,179	42,341	99,520
At 31 December 2012 (audited)	59,245	48,488	107,733

11. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 90 days to its trade customers of the travel business. Included in trade and other receivables are trade receivables of approximately HK$142,333,000 (31 December 2012: HK$110,862,000) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**100,526**	84,521
31–60 days	**23,836**	8,141
61–90 days	**8,074**	6,538
Over 90 days	**9,897**	11,662
	142,333	110,862

11. TRADE AND OTHER RECEIVABLES *(Continued)*

Trade receivables comprise the gross amounts billed to customers.

12. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK$55,711,000 (31 December 2012: approximately HK$21,424,000) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**52,304**	20,635
31–60 days	**2,894**	740
61–90 days	**23**	47
Over 90 days	**490**	2
	55,711	21,424

13. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 December 2012 and 30 June 2013	180,000,000,000	1,800,000
Issued and fully paid:		
At 31 December 2012 and 30 June 2013	124,932,300	1,249

14. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option scheme for eligible participants of the Group. Details of the share options outstanding during the current period and the prior period are as follows:

For the six months ended 30 June 2013

Date of grant	**Exercise price per share** *HK$*	**Outstanding at 1 January and 30 June 2013**
13 May 2011	**1.058**	**2,250,000**
Exercisable at the end of the period		**2,250,000**

For the six months ended 30 June 2012

Date of grant	Exercise price per share *HK$*	Outstanding at 1 January and 30 June 2012
13 May 2011	1.058	2,250,000
Exercisable at the end of the period		2,250,000

The share options granted on 13 May 2011 were fully vested immediately and became exercisable on the grant date.

No share options were granted or exercised for the six months ended 30 June 2013 and 2012.

15. PLEDGE OF ASSETS

At 30 June 2013, trade receivables amounting to Singapore Dollar ("S$") 23,269,000 (equivalent to approximately HK$142,333,000) (31 December 2012: S$15,677,000 equivalent to approximately HK$99,355,000) have been pledged to a bank by way of a floating charge. The bank has provided performance guarantees to a subsidiary of the Company amounting to approximately S$8,500,000 (equivalent to approximately HK$51,992,000) (31 December 2012: S$14,000,000 equivalent to approximately HK$107,742,000) of which the amounts utilised as at 30 June 2013 were approximately S$4,404,000 (equivalent to approximately HK$26,938,000) (31 December 2012: S$7,793,000 equivalent to approximately HK$49,390,000). The performance guarantees have been given in favour to international airlines.

16. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 June 2013	31 December 2012
	HK\$'000	*HK\$'000*
	(Unaudited)	(Audited)
Within one year	**3,154**	2,845
In the second to fifth year inclusive	**2,093**	3,043
	5,247	5,888

Operating lease payments represent rentals paid or payable by the Group for certain of its office premises and office equipment. Leases are negotiated for lease terms of one to three years (31 December 2012: one to three years).

17. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management compensation during the period are as follows:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Short-term employee benefits	**480**	480
Post-employment benefits	**14**	12
Short-term benefits	**494**	492

The remuneration of directors is determined by the remuneration committee having regards to the performance of individuals and market trends.

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 30 July 2013, Jade Emperor International Limited ("Jade Emperor"), an indirect wholly-owned subsidiary of the Company, entered into a venture participation agreement (the "Participation Agreement") with Matrix Triumph Sdn. Bhd. ("MTSB") and Discover Orient Holidays Sdn. Bhd. ("DOH") for participation and involvement in the business being conducted by DOH at a cash consideration of HK$14 million. Pursuant to the terms of the Participation Agreement, Jade Emperor is to manage DOH and its affairs including day-to-day running and the business and carry out the managerial tasks delegated by both the venturers (MTSB and Jade Emperor), and DOH shall pay to Jade Emperor a management fee which is equivalent to 90% of profit before tax of DOH. DOH is engaged principally in the business of operating as tours and travel agents in Malaysia.

In addition to the Participation Agreement, MTSB and Jade Emperor also entered into an option agreement on the same day, pursuant to which MTSB granted a call option to Jade Emperor to acquire the entire issued share capital in DOH at a price to be agreed by the parties at the time of exercise of the option.

The directors of the Company are assessing the financial impact of the transaction and the transaction has not been completed up to the date of the issuing this condensed consolidated financial statements.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2013, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Interests and short positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/ short position	Number of ordinary shares/ underlying shares held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Tang Chi Ming	Beneficial owner	Long position	1,150,000	0.92
Mr. Tse Ke Li	Beneficial owner	Long position	1,150,000	0.92
Mr. Chung Koon Yan	Beneficial owner	Long position	300,000 *(Note)*	0.24
Ms. Chan Ling, Eva	Beneficial owner	Long position	500,000	0.40
Mr. Lam Ka Wai, Graham	Beneficial owner	Long position	200,000 *(Note)*	0.16

Note: These shares are derived from the interest in share options granted by the Company, details of which are set out in the section headed "SHARE OPTION SCHEME" below.

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 30 June 2013.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 30 June 2013, the register of substantial shareholders/other persons maintained by the Company pursuant to section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Long positions

Ordinary shares of HK$0.01 each of the Company

Name of shareholder	Capacity	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Ma Ho Man Hoffman	Beneficial owner	23,958,000	19.18
Harbinger Group Limited	Beneficial owner	7,592,000	6.08
Everland Group Limited	Beneficial owner	6,270,000 *(Note)*	5.02
Wong Yun Sang	Interest in a controlled corporation	6,270,000 *(Note)*	5.02

Note: These 6,270,000 shares are held through Everland Group Limited, which is owned as to 50% by Wong Yun Sang. Therefore, Wong Yun Sang is deemed to be interested in these shares.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2013.

SHARE OPTION SCHEME

Under the share option scheme of the Company adopted on 30 April 2002 (the "Old Scheme"), the Board may, at its discretion, grant options to the Directors and eligible participants (as defined in the Old Scheme) pursuant to the Old Scheme to enable them to subscribe for shares of the Company as incentives or rewards for their contribution to the Group.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 19 May 2011, a new share option scheme (the "New Scheme") was adopted by the Company and the Old Scheme was terminated. Since the adoption of the New Scheme, no further options can be granted under the Old Scheme. No options have been granted under the New Scheme since its adoption.

Details of the movements in the share options of the Company during the six months ended 30 June 2013 under the Old Scheme are as follows:

	Date of grant	Exercisable period	Exercise price per share *HK$*	Outstanding at 1 January 2013	Granted/ (exercised) during the period	Outstanding at 30 June 2013
Category 1: Directors						
Mr. Chung Koon Yan	13.5.2011	13.5.2011 to 12.5.2014	1.058	300,000	—	300,000
Mr. Lam Ka Wai, Graham	13.5.2011	13.5.2011 to 12.5.2014	1.058	200,000	—	200,000
Total held by Directors				500,000	—	500,000
Category 2:						
Eligible participants (other than Directors)	13.5.2011	13.5.2011 to 12.5.2014	1.058	1,750,000	—	1,750,000
Total of all categories				2,250,000	—	2,250,000

COMPETING INTERESTS

None of the Directors, the management shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance.

During the six months ended 30 June 2013, the Company was in compliance with the code provisions set out in the CG Code except for the deviations as explained below:

1. Code provision A.2.1 of the CG Code provides that the roles and responsibilities of chairman and chief executive officer should be divided. The Company has not appointed chairman and chief executive officer, and the roles and functions of the chairman and chief executive officer have been performed by the two executive Directors of the Company collectively.

2. Code provision A.4.1 of the CG Code provides that the non-executive directors should be appointed for a specific term and subject to re-election. The independent non-executive Directors of the Company are not appointed for a specific term but they are subject to retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company (the "Articles").

3. Code provision D.1.4 of the CG Code requires that issuers 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. However, the Directors shall be subject to retirement by rotation in accordance with the Articles. In addition, the Directors are required 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. Besides, the Directors are required to comply with the requirements under statue and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Save as those mentioned above, in the opinion of the Directors, the Company has met the code provisions set out in the CG Code during the six months ended 30 June 2013.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings regarding securities transactions by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. All Directors have confirmed that they have complied with the required standards as set out in the GEM Listing Rules during the six months ended 30 June 2013.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2013.

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

The Company has not redeemed any of its shares during the six months ended 30 June 2013.

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

On behalf of the Board

Tse Ke Li
Executive Director

Hong Kong, 14 August 2013

As at the date of this report, the Board comprises Mr. Tang Chi Ming and Mr. Tse Ke Li as executive Directors, and Mr. Chung Koon Yan, Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham as independent non-executive Directors.