



Interim Report 2014



Well Way Group Limited

(Incorporated in the Cayman Islands with limited liability)
Stock code: 8063

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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 the 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

FINANCIAL REVIEW

Well Way Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”) recorded a loss attributable to owners of the Company of HK\$6,411,000 for the six months ended 30 June 2014 (for the six months ended 30 June 2013: HK\$20,785,000), representing basic loss per share of HK4.11 cents (for the six months ended 30 June 2013: basic loss per share of HK16.20 cents, as restated).

Revenue and profitability

For the six months ended 30 June 2014, the consolidated revenue of the Group amounted to HK\$20,541,000, representing 12.5% decrease compared to HK\$23,464,000 for the last corresponding period. The decrease was due to the continuous volatile global financial and political conditions as well as environmental factors such as haze and possible virus outbreak which affected the sentiments of business and 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 and one-off gain on disposal on investments

Other income and one-off gain on disposal on investments for the six months ended 30 June 2014 amounted to HK\$14,419,000 compared to HK\$944,000 for the six months ended 30 June 2013.

One-off gain on disposal on investments represented the disposal gain of the ordinary membership of The Chinese Gold & Silver Exchange Society (including the gold bullion group) and 136,000 unlisted shares of Hong Kong Precious Metals Exchange Limited, which is completed and recognised on 18 February 2014. Details of the disposal was disclosed in the Company's announcement dated 15 November 2013.

Net loss on investment held for trading

The Group recorded a net loss on investment held for trading of HK\$2,263,000 for the period. As part of risk management philosophy, the Group will continue to adopt a prudent and vigilant attitude toward securities investments policy with a view to achieving better returns on its financial resources and maintaining a more balanced and healthy portfolio of investment.

Expenditure

For the six months ended 30 June 2014, staff costs amounted to HK\$18,794,000 (for the six months ended 30 June 2013: HK\$19,794,000). Depreciation and amortization expenses for the period amounted to HK\$5,771,000 (for the six months ended 30 June 2013: HK\$7,027,000).

Impairment loss on goodwill

The Group performs regular review on the carrying values of goodwill and intangible assets of acquired business to determine any potential impairment loss according to Hong Kong Accounting Standard 36 "Impairment of Assets".

During the current interim period, the Group recognized an impairment loss on goodwill amounting to HK\$8,393,000 (for the six months ended 30 June 2013: HK\$9,000,000) regarding the travel business in Singapore.



During the current period under review, the travel business environment in Singapore is continuing to be more competitive. Alongside with price driven competition, we have seen the demand for more sophisticated business travel management solutions from our corporate clients which have urged us to recruit and retain quality staff in order to maintain competitive in the market. In addition, the recent mishaps of Malaysia Airlines, the political instability in certain parts of the world and unforeseeable outbreak of a possible global wide epidemic certainly have a short term impact on the momentum of business travel for the corporate customers.

For MICE and leisure segments of the Group's business, the management manages these business units in a more stringent and efficient manner due to the relatively volatile conditions which is easily affected by sentiments of travel by perceptions arisen from political instability, outbreak of virus and unfortunate incidents occurred around the world. The price competition coupled with customer demand for more complex solutions and creative events management have certainly posed a negative impact on the profit margins.

All these factors has led to the actual sales and profit generated from the travel business segment to have fallen below expectation. The management therefore was of the opinion that their expectation on potential profitability in previous years might not be met. As a result, the valuation assumptions and the cash flow projection have been adjusted to reflect a more conservative expectation, leading to the impairment loss.

The impairment loss on goodwill for the period is calculated based on the recoverable amount of the cash generating units ("CGUs") of the travel business in Singapore. The recoverable amount of the CGUs was based on its value in use and was determined with the assistance of Ascent Partners Valuation Service Limited ("Ascent Partners"), 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 16.49% (31 December 2013: 16.52%). Cash flows after the five-year period were extrapolated using a 3.07% (31 December 2013: 2.86%) growth rate in considering the economic condition of the market.

According to the valuation report dated 13 August 2014 prepared by Ascent Partners, Ascent Partners considered three valuation approaches, namely the market approach, the cost approach and the income approach. The income approach, which is consistently applied over years, was considered as the most appropriate and adopted in the valuation because it eliminates the discrepancy in time value of money by using a discount rate to reflect all business risks including intrinsic and extrinsic uncertainties in relation to the business operation, and is the most appropriate approach for the valuation of intangible assets and goodwill of the Group.

Share of profit of a joint venture

The Group entered into an agreement with a venturer which principally engages in the business of operating as tours and travel agents in Malaysia at a cash consideration of HK\$14 million and the transaction was completed on 31 August 2013. Since then, the Group is entitled to receive a management fee which is equivalent to 90% of the profit before taxation of its Malaysia travel business.

During the current interim period, the Group shared a profit from the joint venture amounting to HK\$1,159,000 (for the six month ended 30 June 2013: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained sufficient working capital during the period. As at 30 June 2014, the working capital, calculated by current assets less current liabilities, of the Group was of HK\$247,837,000 compared to HK\$166,784,000 as at 31 December 2013.

As at 30 June 2014, the Group's current ratio was 3.4 times (as at 31 December 2013: 3.4 times), calculated by current assets of HK\$351,779,000 (as at 31 December 2013: HK\$236,765,000) divided by current liabilities of HK\$103,942,000 (as at 31 December 2013: HK\$69,981,000) and the gearing ratio is zero as at 30 June 2014 and 31 December 2013.

During the period, net cash used in operating activities amounted to HK\$15,391,000 compared to net cash from operating activities of HK\$9,253,000 last period.



Net cash from investing activities for the period was HK\$12,569,000 compared to net cash used in investing activities of HK\$1,033,000 last period.

As a result, cash and cash equivalents of the Group as at 30 June 2014 was HK\$167,126,000, compared with HK\$95,705,000 as at 31 December 2013.

CAPITAL STRUCTURE

During the period, the Company has issued 24,986,000 shares by the way of placing of new shares under general mandate and 74,959,150 shares under open offer.

On 11 February 2014, the Company completed the placing of 24,986,000 new shares under the general mandate (pursuant to an ordinary resolution passed at the Company's annual general meeting on 29 May 2013) to not less than six places at the pricing price of HK\$1.00 per placing share. The net proceeds from the placing, after deducting the placing commission and other related expenses payable by the Company, were approximately HK\$24.14 million, subsequently used as general working capital, mainly administrative expenses, of the Group. Details of the placing were disclosed in the Company's announcements dated 22 January 2014, 24 January 2014, 30 January 2014 and 11 February 2014.

On 18 June 2014, the Company completed an open offer of 74,959,150 shares at the subscription price of HK\$0.70 per offer share on the basis of one offer share for every two existing shares. The net proceeds of the open offer, after deducting the underwriting commission and other related expenses payable by the Company, were approximately HK\$49.87 million, subsequently placed with bank and reserved for future potential investment opportunities of the Group. Details of the open offer were disclosed in the Company's announcements dated 2 April 2014, 22 April 2014, 17 June 2014 and the prospectus dated 26 May 2014.

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 2014, the total number of employees of the Group was 113.

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 terminated the old share option scheme (the "Old Scheme") and 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). The share options granted under the Old Scheme were expired and lapsed on 13 May 2014 and no share option had been granted or exercised during the period.



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 2014, trade receivables amounting to Singapore Dollar (“S\$”) 26,620,000 (equivalent to approximately HK\$165,154,000) (31 December 2013: S\$21,603,000 equivalent to approximately HK\$132,208,000) 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\$13,500,000 (equivalent to approximately HK\$83,757,000) (31 December 2013: S\$13,500,000 equivalent to approximately HK\$82,617,000) of which the amounts utilised as at 30 June 2014 were approximately S\$4,309,000 (equivalent to approximately HK\$26,733,000) (31 December 2013: S\$4,029,000 equivalent to approximately HK\$24,654,000). 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 2014, the Group had no material contingent liabilities.

SUBSEQUENT EVENTS

On 8 July 2014, Long Joy Investments Limited (“Long Joy”), a wholly owned subsidiary of the Company, entered into an subscription agreement with China Star Entertainment Limited (“China Star”), pursuant to which Long Joy has conditionally agreed to subscribe and China Star has conditionally agreed to issue the 1,500 million shares of China Star (the “China Star Subscription Shares”) for a consideration of HK\$135 million, which is equivalent to HK\$0.09 per China Star Subscription Share (the “Subscription”).

It is disclosed in the Company’s announcement that the Company proposes to raise not less than approximately HK\$134.93 million and not more than approximately HK\$152.91 million, before expenses, by way of open offer of not less than 449,754,900 offer shares and not more than 509,714,900 offer shares at the subscription price of HK\$0.30 per offer share on the basis of two offer shares for every one share held on 16 October 2014 (the “Open Offer”). The net proceeds from the Open Offer shall be used to satisfy the consideration of the Subscription.

The Company also proposed that the board lot for trading in the shares on GEM will be changed from 2,000 Shares to 10,000 Shares with effect from 9:00 a.m. on Wednesday, 12 November 2014.

Details of the Subscription, Open offer and change of board lot size were disclosed in the Company’s announcement dated 16 July 2014. As at the date of this report, the Subscription, Open Offer and change of board lot size has not been completed.

On 30 July 2014, the Company completed the placing of 29,980,000 new shares under the general mandate (pursuant to an ordinary resolution passed at the Company’s annual general meeting on 22 May 2014) to not less than six places at the placing price of HK\$0.65 per placing share. The net proceeds from the placing, after deducting the placing commission and other related expenses payable by the Company, were approximately HK\$18.71 million, subsequently placed with bank and reserved for future potential investment opportunities of the Group. Details of the placing was disclosed in the Company’s announcements dated 16 July 2014, and 30 July 2014.

Saved 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 2014.



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

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 11 to 26, which comprise the condensed consolidated statement of financial position as of 30 June 2014 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 Rules Governing the Listing of Securities on the Growth Enterprise Market of 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 2014



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	NOTES	Three months ended 30 June		Six months ended 30 June	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Revenue		10,732	12,556	20,541	23,464
Other income		968	341	2,110	944
Gain on disposal of investments	4	-	-	12,309	-
Net loss on investment held for trading		(446)	-	(2,263)	-
Staff costs		(8,949)	(9,272)	(18,794)	(19,794)
Depreciation and amortisation expenses		(2,908)	(3,549)	(5,771)	(7,027)
Impairment loss on goodwill		(8,393)	(9,000)	(8,393)	(9,000)
Other expenses		(3,490)	(4,805)	(7,766)	(9,646)
Share of (loss) profit of a joint venture		(121)	-	1,159	-
Loss before taxation		(12,607)	(13,729)	(6,868)	(21,059)
Taxation	5	212	16	457	274
Loss for the period	6	(12,395)	(13,713)	(6,411)	(20,785)
Other comprehensive income (expense)					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences arising on translation of foreign operation		1,384	(4,530)	2,696	(7,718)
Total comprehensive expense for the period		(11,011)	(18,243)	(3,715)	(28,503)
Loss for the period attributable to owners of the Company		(12,395)	(13,713)	(6,411)	(20,785)
Total comprehensive expense attributable to owners of the Company		(11,011)	(18,243)	(3,715)	(28,503)
Loss per share (HK cents) Basic and diluted (Restated)	8	(7.31)	(10.69)	(4.11)	(16.20)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	NOTES	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,132	7,187
Goodwill	10	–	8,279
Intangible assets	11	91,902	95,109
Interest in a joint venture		16,333	15,100
		<u>114,367</u>	<u>125,675</u>
CURRENT ASSETS			
Trade and other receivables	12	184,653	140,674
Available-for-sale investments		–	136
Bank balances and cash		167,126	95,705
		<u>351,779</u>	<u>236,515</u>
Asset classified as held for sale		–	250
		<u>351,779</u>	<u>236,765</u>
CURRENT LIABILITIES			
Trade and other payables	13	101,985	67,695
Tax payable		1,957	2,286
		<u>103,942</u>	<u>69,981</u>
NET CURRENT ASSETS			
		<u>247,837</u>	<u>166,784</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>362,204</u>	<u>292,459</u>
NON-CURRENT LIABILITY			
Deferred tax liabilities		15,624	16,168
		<u>346,580</u>	<u>276,291</u>
CAPITAL AND RESERVES			
Share capital	14	2,249	1,249
Share premium and reserves		344,331	275,042
		<u>346,580</u>	<u>276,291</u>
TOTAL EQUITY			
		<u>346,580</u>	<u>276,291</u>



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2014 (audited)	1,249	349,134	32,589	5,000	852	(1,453)	(111,080)	276,291
Loss for the period	-	-	-	-	-	-	(6,411)	(6,411)
Exchange differences arising on translation of foreign operation	-	-	-	-	-	2,696	-	2,696
Total comprehensive income (expense) for the period	-	-	-	-	-	2,696	(6,411)	(3,715)
Issue of shares upon placing of shares (Note 14)	250	23,887	-	-	-	-	-	24,137
Issue of shares upon open offer (Note 14)	750	49,117	-	-	-	-	-	49,867
Lapsed of share options (Note 15)	-	-	-	-	(852)	-	852	-
At 30 June 2014 (unaudited)	<u>2,249</u>	<u>422,138</u>	<u>32,589</u>	<u>5,000</u>	<u>-</u>	<u>1,243</u>	<u>(116,639)</u>	<u>346,580</u>
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)	<u>1,249</u>	<u>349,134</u>	<u>32,589</u>	<u>5,000</u>	<u>852</u>	<u>(1,576)</u>	<u>(94,896)</u>	<u>292,352</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Operating cash flows before		
movements in working capital	(6,247)	(5,038)
Increase in trade and other receivables	(41,883)	(21,743)
Increase in trade and other payables	33,407	37,211
	<hr/>	<hr/>
Cash (used in) generated from operations	(14,723)	10,430
Income tax paid	(668)	(1,177)
	<hr/>	<hr/>
Net cash (used in) from operating activities	(15,391)	9,253
INVESTING ACTIVITIES		
Proceeds on disposal of investment	12,700	–
Purchase of property, plant and equipment	(132)	(1,039)
Other investing activities	1	6
	<hr/>	<hr/>
Net cash from (used in) investing activities	12,569	(1,033)
FINANCING ACTIVITIES		
Net proceeds from share placing	24,137	–
Net proceeds from open offer	49,867	–
	<hr/>	<hr/>
Cash from financing activities	74,004	–
	<hr/>	<hr/>
Net increase in cash and cash equivalents	71,182	8,220
Cash and cash equivalents at 1 January	95,705	99,067
Effect of foreign exchange rate changes	239	(184)
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	167,126	107,103
represented by bank balances and cash	<hr/> <hr/>	<hr/> <hr/>



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

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 Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2013.

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, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-financial Asset
HKAS 39 (Amendments)	Novation of Derivatives and Continuation Of Hedge Accounting
HK(IFRIC) – INT 21	Levies

The application of these 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.

3. SEGMENT INFORMATION

The Group's operations are currently organised into two operating divisions, namely travel business and treasury management.

There are three operating divisions, namely travel business, treasury management and precious metals trading, in which the business of precious metals trading has been ceased during the fourth quarter of 2013 as the chief operating decision maker ("CODM") representing the board of directors of the Company decided to allocate more resources into travel business. The business of precious metals trading was discontinued accordingly. However, no discontinued operation was shown separately on the condensed consolidated financial statements since the CODM considered the financial results contributed by such business was insignificant to the Group.

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

	Segment revenue		Segment (losses) profits	
	Six months ended		Six months ended	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Travel business	20,541	23,464	(11,875)	(12,342)
Precious metals trading	-	-	12,302	-
Treasury management	-	-	147	-
Total	<u>20,541</u>	<u>23,464</u>	<u>574</u>	<u>(12,342)</u>
Share of profit of a joint venture			1,159	-
Unallocated income			1	56
Unallocated expense			(8,145)	(8,499)
Loss for the period			<u>(6,411)</u>	<u>(20,785)</u>



3. SEGMENT INFORMATION (Continued)

	Segment revenue		Segment (losses) profits	
	Three months ended		Three months ended	
	30 June		30 June	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Travel business	10,732	12,556	(10,474)	(9,449)
Precious metals trading	–	–	(31)	–
Treasury management	–	–	147	–
Total	10,732	12,556	(10,358)	(9,449)
Share of loss of a joint venture			(121)	–
Unallocated income			–	37
Unallocated expense			(1,916)	(4,301)
Loss for the period			(12,395)	(13,713)

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.

4. GAIN ON DISPOSAL ON INVESTMENTS

On 15 November 2013, the Group, through its wholly-owned subsidiary, Wing Shing Loong Goldsmith & Refinery Co. Limited, entered into a conditional sale and purchase agreement with an independent third party to dispose of the unlisted equity shares of Hong Kong Precious Metals Exchange Limited and the membership license of The Chinese Gold & Silver Exchange Society (the "Society") at a total consideration of HK\$12,700,000 subject to the approval by the Society. The assets being disposed of were of the carrying amount of HK\$391,000 (mainly including available-for-sale investments of HK\$136,000 and other non-current asset of HK\$250,000 which was classified as an asset held for sale as at 31 December 2013). The disposal transaction was completed on 18 February 2014 after obtaining the necessary approval, and a gain on disposal of HK\$12,309,000 was resulted and recognised to profit or loss during the period.

5. TAXATION

	Three months ended 30 June		Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
The tax charge (credit) comprises:				
Singapore Corporate Income Tax	174	366	309	498
Deferred taxation – current period	(386)	(382)	(766)	(772)
	<u>(212)</u>	<u>(16)</u>	<u>(457)</u>	<u>(274)</u>

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.

6. LOSS FOR THE PERIOD

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

	Three months ended 30 June		Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	640	1,305	1,267	2,490
Amortisation of intangible assets	2,268	2,244	4,504	4,537
Operating lease payments for office premises and office equipment (included in other expenses)	1,245	1,292	2,507	2,590
Selling expenses (included in other expenses)	325	490	660	1,109
Legal and professional fees (included in other expenses)	632	992	1,268	1,560
Interest income	(1)	(1)	(1)	(6)
	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(6)</u>



7. DIVIDENDS

No dividends were paid, declared or proposed for the periods ended 30 June 2014 and 2013, nor has any dividend been proposed since the end of both reporting periods.

8. 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	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Loss				
Loss for the purposes of basic and diluted loss per share	(12,395)	(13,713)	(6,411)	(20,785)
		(Restated)		(Restated)
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share (in thousand shares) (Note)	169,554	128,309	155,992	128,309

Note: The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the period has been retrospectively adjusted for the effect of the open offer completed in June 2014 as detailed in note 14(b).

For the three months ended 30 June 2013 and six months ended 30 June 2013, diluted loss per share does not assume the exercise of the Company's share options because the exercise price of the options was higher than the average market price of shares for the periods and the assumed exercise of the share option would result in a decrease in loss per share.

The Company's share options were all lapsed on 13 May 2014, and therefore there was no outstanding dilutive share option as at 30 June 2014.

9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment for a cash consideration of HK\$132,000 mainly for acquisition of computer equipment (for the six months ended 30 June 2013: HK\$1,039,000).

10. GOODWILL

HK\$'000

COST

At 1 January, 2013 (audited)	34,011
Impairment loss	(25,000)
Exchange realignment	(732)
	<hr/>
At 31 December, 2013 (audited)	8,279
Impairment loss	(8,393)
Exchange realignment	114
	<hr/>
As 30 June, 2014 (unaudited)	–
	<hr/> <hr/>

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 16.49% (31 December 2013: 16.52%). Cash flows after the five-year period were extrapolated using a 3.07% (31 December 2013: 2.86%) 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\$8,393,000 (for the six months ended 30 June 2013: HK\$9,000,000) was recognised. The impairment loss was allocated fully to the goodwill and is presented on the face of condensed consolidated statement of profit or loss and other comprehensive income.



11. INTANGIBLE ASSETS

	Trade name <i>HK\$'000</i>	Customer relationship <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST			
At 1 January 2014 (audited)	57,207	62,427	119,634
Exchange adjustments	790	862	1,652
	<u>57,997</u>	<u>63,289</u>	<u>121,286</u>
At 30 June 2014 (unaudited)	57,997	63,289	121,286
AMORTISATION			
At 1 January 2014 (audited)	–	24,525	24,525
Provided for the period	–	4,504	4,504
Exchange adjustments	–	355	355
	<u>–</u>	<u>29,384</u>	<u>29,384</u>
At 30 June 2014 (unaudited)	–	29,384	29,384
CARRYING VALUES			
At 30 June 2014 (unaudited)	<u>57,997</u>	<u>33,905</u>	<u>91,902</u>
At 31 December 2013 (audited)	<u>57,207</u>	<u>37,902</u>	<u>95,109</u>

12. 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\$161,061,000 (31 December 2013: HK\$129,900,000) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	30 June 2014 <i>HK\$'000</i> (Unaudited)	31 December 2013 <i>HK\$'000</i> (Audited)
0 – 30 days	98,321	83,839
31 – 60 days	20,036	17,031
61 – 90 days	24,539	12,938
Over 90 days	18,165	16,092
	<u>161,061</u>	<u>129,900</u>

Trade receivables comprise the gross amounts billed to customers.

13. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$63,010,000 (31 December 2013: approximately HK\$40,745,000) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
0 – 30 days	49,309	40,305
31 – 60 days	13,685	10
61 – 90 days	16	1
Over 90 days	–	429
	<u>63,010</u>	<u>40,745</u>

14. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 31 December 2013 and 30 June 2014	180,000,000,000	1,800,000
Issued and fully paid:		
At 31 December 2013	124,932,300	1,249
Issue of shares upon placing (<i>Note a</i>)	24,986,000	250
Issue of shares upon open offer (<i>Note b</i>)	74,959,150	750
At 30 June 2014	<u>224,877,450</u>	<u>2,249</u>



14. SHARE CAPITAL (Continued)

Notes:

- (a) On 11 February 2014, the Company completed a placing of 24,986,000 new shares under the general mandate at a placing price of HK\$1.00 per placing share. The net proceeds from the placing, after deducting directly attributable costs, were approximately HK\$24.14 million. Details of the placing were disclosed in the Company's announcements dated 22 January 2014, 24 January 2014, 30 January 2014 and 11 February 2014.
- (b) On 18 June 2014, the Company completed an open offer of 74,959,150 offer shares at a subscription price of HK\$0.70 on the basis of one offer share for every two existing shares held. The net proceeds from the open offer, after deducting directly attributable costs were approximately HK\$49.87 million. Details of the open offer were disclosed in the Company's prospectus dated 26 May 2014.

15. 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 2014

Date of grant	Exercise price per share HK\$	Outstanding at 1 January 2014	Lapsed during the period	Outstanding at 30 June 2014
13 May 2011	1.058	2,250,000	(2,250,000)	–
Exercisable at the end of the period		2,250,000	(2,250,000)	–

15. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

For the six months ended 30 June 2013

Date of grant	Exercise price per share <i>HK\$</i>	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

The share options granted on 13 May 2011 were fully vested immediately and became exercisable on the grant date. The share options were expired and lapsed on 13 May 2014. No share option had been exercised before the expiry date during the period.

No share options were granted or exercised for the six months ended 30 June 2014 and 2013, and there was no outstanding share option as at 30 June 2014.

16. PLEDGE OF ASSETS

At 30 June 2014, trade receivables amounting to Singapore Dollar (“S\$”) 26,620,000 (equivalent to approximately HK\$165,154,000) (31 December 2013: S\$21,603,000 equivalent to approximately HK\$132,208,000) 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\$13,500,000 (equivalent to approximately HK\$83,757,000) (31 December 2013: S\$13,500,000 equivalent to approximately HK\$82,617,000) of which the amounts utilised as at 30 June 2014 were approximately S\$4,309,000 (equivalent to approximately HK\$26,733,000) (31 December 2013: S\$4,029,000 equivalent to approximately HK\$24,654,000). The performance guarantees have been given in favour to international airlines.



17. 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 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Within one year	3,930	3,213
In the second to fifth year inclusive	2,588	1,400
	<u>6,518</u>	<u>4,613</u>

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 2013: one to three years).

18. 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	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Short-term employee benefits	330	480
Post-employment benefits	11	14
Short-term benefits	<u>341</u>	<u>494</u>

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

19. EVENTS AFTER THE END OF THE REPORTING PERIOD

- a) On 8 July 2014, Long Joy Investments Limited (“Long Joy”), a wholly-owned subsidiary of the Company, entered into a subscription agreement with China Star Entertainment Limited (“China Star”), pursuant to which Long Joy has conditionally agreed to subscribe and China Star has conditionally agreed to issue 1,500,000,000 shares of China Star (“China Star Subscription Shares”), at a subscription price of HK\$0.09 per China Star Subscription Share, for a consideration of HK\$135 million. Details of the transaction were disclosed in the Company’s announcement dated 16 July 2014. The subscription has not been completed up to the date of issuing these condensed consolidated financial statements.
- b) On 8 July 2014, the Company and Kingston Securities Limited (“Kingston Securities”) entered into a placing agreement, pursuant to which the Company has conditionally agreed, through Kingston Securities, to place 29,980,000 new shares of the Company (the “Placing Share”) under the general mandate granted to the Directors by resolution of the shareholders of the Company passed at the annual general meeting held on 22 May 2014 at a price of HK\$0.65 per Placing Share. The gross and the net proceeds from the placing were approximately HK\$19.49 million and approximately HK\$18.71 million respectively. The proceeds from the placing intend to apply to general working capital of the Group. The completion of the placing took place on 30 July 2014. Details of the transaction were disclosed in the Company’s announcements date 16 July 2014 and 30 July 2014.
- c) On 16 July 2014, the Company proposed an open offer of not less than 449,754,900 offer shares and not more than 509,714,900 offer shares at the open offer subscription price of HK\$0.30 per offer share on the basis of two offer shares for every one share held on 16 October 2014 (the “Open Offer”). Details of the Open Offer were disclosed in the Company’s announcement dated 16 July 2014. The net proceeds from the Open Offer shall be used to satisfy the consideration of the Subscription.

The Open Offer is conditional upon, among other things, the passing of necessary resolutions at the extraordinary general meeting(s) of the Company to approve the Open Offer and the Subscription. The Open Offer is conditional upon the passing of necessary resolution to approval the Subscription at the Company’s extraordinary general meeting and the Subscription is not conditional upon the passing of necessary resolutions to approve the Open Offer at the Company’s extraordinary general meeting. In the event that the approval of the Subscription cannot be obtained by the Company from the shareholders, the Open Offer will not proceed. Details of the Open Offer were disclosed in the Company’s announcement dated 16 July 2014. The Open Offer has not been completed up to the date of issuing these condensed consolidated financial statements.



OTHER INFORMATION

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

As at 30 June 2014, 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:

The approximate percentage of interest set out below is based on 224,877,450 ordinary shares in issue as at 30 June 2014.

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. Mung Kin Keung (<i>Note</i>)	Beneficial Owner	Long position	51,312,000	22.82
Mr. Tse Ke Li	Beneficial Owner	Long position	1,150,000	0.51

Note: Subsequent to the end of the reporting period, pursuant to the underwriting agreement dated 8 July 2014 entered into among the Company, Mr. Mung Kin Keung ("Mr. Mung") and Kingston Securities Limited (the "Underwriter") in relation to the proposed issue of not less than 449,754,900 new shares of the Company and not more than 509,714,900 new shares at the open offer subscription price of HK\$0.30 per offer share on the basis of two offer shares for every one existing share of the Company (the "Open Offer"), Mr. Mung had given an irrevocable undertaking in favour of the Company and the Underwriter, among other things, to accept or procure acceptance for 102,624,000 offer shares to be allotted and issued to him under his entitlement pursuant to the Open Offer. Accordingly, Mr. Mung is deemed to be interested in an aggregate of 153,936,000 shares of the Company under the irrevocable undertaking. As at the date of this report, the Open Offer has not been completed. Details of the Open Offer were disclosed in the Company's announcement dated 16 July 2014.

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 2014.

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

As at 30 June 2014, the register of substantial shareholders/other persons maintained by the Company pursuant to section 336 of the SFO showed that the following shareholders, other than a director or chief executive of the Company had notified the Company of relevant interests in the issued share capital of the Company:

The approximate percentage of interest set out below is based on 224,877,450 ordinary shares in issue as at 30 June 2014.

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
New Star Int'l Holding Limited	Beneficial owner	13,462,000	5.99

Save as disclosed above, as at 30 June 2014, the Directors or chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company under Section 336 of the SFO.

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 2014.



SHARE OPTION SCHEME

Under the share option scheme of the Company adopted on 30 April 2002 (the “Old Scheme”), the board of Directors (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 “Scheme”) was adopted by the Company and the Old Scheme was terminated. Since the adoption of the Scheme, no further options can be granted under the Old Scheme. No options have been grant under the Scheme since its adoption.

On 13 May 2014, 2,250,000 share options were lapsed. Save as aforesaid, no further options were granted, cancelled and lapsed during the six months ended 30 June 2014. The following table discloses movements in the Company’s share options granted under the Old Scheme during the period under review:

	Date of grant	Exercisable period	Exercise price per share HKS	Outstanding at 1 January 2014	Granted/ Exercised during the period	Lapsed during the period	Outstanding at 30 June 2014
Category 1: Directors							
Mr. Chung Koon Yan (Note)	13.5.2011	13.5.2011 to 12.5.2014	1.058	300,000	-	(300,000)	-
Mr. Lam Ka Wai, Graham (Note)	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)	-

Note: Mr. Chung Koon Yan and Mr. Lam Kan Wai, Graham resigned as independent non-executive Directors on 16 April 2014.

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 2014, 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 three executive Directors 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 are not appointed for a specific term but they are subject to retirement at the next following 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 provides 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 (except Mr. Mung Kin Keung). 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 statute and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

4. Code Provision E.1.2 of the CG Code provides that the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. During the period under review, the annual general meeting held on 22 May 2014 (“AGM”), although the Company has not appointed chairman of the Company, all the then Directors attended the AGM except Mr. Mung Bun Man, Alan (chairman of the corporate governance committee) did not attend the AGM due to his other business engagement.

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 2014.

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 the 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 2014.

DISCLOSURE ON CHANGES IN DIRECTORS' INFORMATION

The changes in information on Directors subsequent to the date of the 2013 annual report of the Company, which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules, is set out below:

Name of Director	Details of Changes
Mr. Mung Bun Man, Alan	<ul style="list-style-type: none">– appointed as compliance officer of the Company with effect from 7 July 2014– appointed as an executive director of Mastermind Capital Limited* (Stock Code: 905) with effect from 31 March 2014
Mr. Tse Ke Li	<ul style="list-style-type: none">– ceased to act as compliance officer of the Company with effect from 7 July 2014
Mr. Mung Kin Keung	<ul style="list-style-type: none">– appointed as the co-chairman of the board of directors and executive director of China Star Entertainment Limited* (Stock Code: 326) with effect from 8 July 2014

* *A company whose shares are listed on the Main Board of the Stock Exchange.*

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Chan Wai Man (as chairman), Mr. Chan Ho Bun, Steve and Mr. Fung Wai Ching 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 2014.



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 2014.

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

Mung Bun Man, Alan

Executive Director

Hong Kong, 14 August 2014

As at the date of this report, the Board comprises Mr. Mung Kin Keung, Mr. Mung Bun Man, Alan and Mr. Tse Ke Li as executive Directors, and Mr. Chan Wai Man, Mr. Chan Ho Bun, Steve and Mr. Fung Wai Ching as independent non-executive Directors.