

譽滿國際(控股)有限公司
Celebrate International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock code : 8212

The background of the page is a complex, abstract geometric design. It features various overlapping shapes, including triangles, rectangles, and polygons, in shades of green and yellow. The shapes are arranged in a way that creates a sense of depth and movement, with some elements appearing to be layered on top of others. The overall effect is modern and dynamic.

2015/2016
INTERIM REPORT

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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 board of directors (“**Directors**”) of Celebrate International Holdings Limited (“**Company**”, and together with its subsidiaries “**Group**”) collectively and individually accepts full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“**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 herein or this report misleading.*

RESULTS

The board of Directors (the “**Board**”) announces the unaudited results of the Group for the three months and six months ended 31 December 2015, together with comparative figures for the same corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the three months ended 31 December		For the six months ended 31 December	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Represented)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Represented)
Revenue	3	30,996	1,628	44,813	6,715
Cost of sales		(36,663)	(328)	(49,239)	(4,414)
Gross (loss)/profit		(5,667)	1,300	(4,426)	2,301
Other income	4	590	–	595	7,757
Administrative and operating expenses		(9,343)	(6,540)	(19,018)	(12,397)
Change in fair value of financial assets at fair value through profit or loss	5	25,348	(2,415)	17,181	(474)
Profit/(Loss) from operations		10,928	(7,655)	(5,668)	(2,813)
Finance costs	6	(636)	(8)	(1,675)	(1,903)
Share of loss of an associate		(324)	(205)	(608)	(314)
Profit/(Loss) before taxation	7	9,968	(7,868)	(7,951)	(5,030)
Income tax expense	8	–	–	–	–
Profit/(Loss) and total comprehensive income/(loss) for the period		9,968	(7,868)	(7,951)	(5,030)
Attributable to:					
Owners of the Company		9,947	(7,868)	(7,911)	(5,030)
Non-controlling interests		21	–	(40)	–
		9,968	(7,868)	(7,951)	(5,030)
Earnings/(Loss) per share attributable to owners of the Company	10		(restated)		(restated)
Basic and diluted (HK cents)		4.48	(59.36)	(3.72)	(59.75)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 31 December 2015 HK\$'000 (Unaudited)	At 30 June 2015 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		13,388	14,365
Investment property		–	330,000
Investment in an associate		29,367	29,975
Available-for-sale investment	11	50,000	–
Loan receivables	12	324	395
		93,079	374,735
Current assets			
Investment property held for sale	13	330,000	–
Loans receivables	12	40,723	11,710
Trade and other receivables, deposits and prepayments	14	38,245	6,493
Financial assets at fair value through profit or loss		38,552	12,256
Bank balances and cash		91,922	16,862
		539,442	47,321
Current liabilities			
Trade and other payables, deposits and accrued liabilities	15	124,675	8,825
Promissory note	16	25,000	–
Obligations under finance lease		195	190
Tax payable		261	261
		150,131	9,276
Net current assets		389,311	38,045
Non-current liabilities			
Obligations under finance lease		292	390
Promissory note	16	–	140,650
		292	141,040
NET ASSETS		482,098	271,740
Capital and reserves			
Share capital	17	44,379	1,432
Reserves		276,455	109,004
Equity attributable to owners of the Company		320,834	110,436
Non-controlling interests		161,264	161,304
TOTAL EQUITY		482,098	271,740

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY***For the six months period ended 31 December 2015*

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Convertible bonds reserve HK\$'000	Share Options reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2015 (Audited)	1,432	1,214,417	15,826	-	-	(1,121,239)	110,436	161,304	271,740
Total comprehensive loss for the period	-	-	-	-	-	(7,911)	(7,911)	(40)	(7,951)
Subscription of shares pursuant to an open offer	42,947	175,362	-	-	-	-	218,309	-	218,309
At 31 December 2015 (Unaudited)	44,379	1,389,779	15,826	-	-	(1,129,150)	320,834	161,264	482,098
At 1 July 2014 (Audited)	110	1,007,979	15,826	68,652	-	(1,147,800)	(55,233)	-	(55,233)
Total comprehensive loss for the period	-	-	-	-	-	(5,030)	(5,030)	-	(5,030)
Early redemption of convertible bonds	-	-	-	(68,652)	-	33,155	(35,497)	-	(35,497)
Subscription of shares pursuant to an open offer	884	169,552	-	-	-	-	170,436	-	170,436
Placing of shares	199	25,099	-	-	-	-	25,298	-	25,298
At 31 December 2014 (Unaudited)	1,193	1,202,630	15,826	-	-	(1,119,675)	(99,974)	-	(99,974)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 31 December	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Represented)
Net cash generated from/(used in) operating activities	25,085	(27,348)
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(1,697)	(11,768)
Acquisition of available-for-sale investment	(25,000)	–
Net cash used in investing activities	(26,697)	(11,768)
Cash flows from financing activities		
Net proceeds from subscription of shares pursuant to an open offer	218,309	170,436
Net proceeds from placing of shares	–	25,298
Redemption of convertible bonds	–	(170,000)
Redemption of promissory note	(140,650)	–
Payments for finance lease	(93)	(89)
Interest payments	(894)	(944)
Net cash generated from financing activities	76,672	24,701
Net increase/(decrease) in cash and cash equivalents	75,060	(14,415)
Cash and cash equivalents at beginning of period	16,862	24,604
Cash and cash equivalents at end of period, represented by bank balances and cash	91,922	10,189

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2015

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2015 (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

The Interim Financial Statements have been prepared under the historical cost convention except for the valuation of certain financial instruments and investment property, which are measured at fair values, as appropriate. The accounting policies used in the preparation of the Interim Financial Statements are consistent with those adopted by the Group in its annual financial statements for the year ended 30 June 2015 and the Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 30 June 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

The Interim Financial Statements have not been audited by the Company’s auditor but have been reviewed by the Company’s Audit Committee.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1 July 2015, the adoption has no significant impact on the Group’s results and financial position; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

3. REVENUE AND SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has five (2014: three) reportable operating segments as follows:

- (a) Trading of food and beverage segment is a strategic business unit which is engaged in the provision of quality food and beverage;
- (b) Money lending segment provides funds to clients and receives loan interest income in return;
- (c) Health care services operates a health centre for the provision of hot stone spa and health related services;
- (d) Securities investment and trading is engaged in purchase and sale of securities and investment; and
- (e) Property investment is engaged in holding a land property situated in Hong Kong.

The Group's revenue for the period are as follows:

	For the three months ended 31 December		For the six months ended 31 December	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Represented)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Represented)
Food and beverage	341	339	676	652
Money lending	1,021	1,257	1,753	1,960
Health care services	295	–	681	–
Securities investment and trading	29,339	32	41,703	4,103
Property investment	–	–	–	–
	30,996	1,628	44,813	6,715

An analysis of the Group's revenue and results by segment for the six months ended 31 December 2015 is as follows:

	Reportable segment					Total HK\$'000 (Unaudited)
	Food and beverage HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Health care services HK\$'000 (Unaudited)	Securities investment and trading HK\$'000 (Unaudited)	Property investment HK\$'000 (Unaudited)	
Segment revenue	676	1,753	681	41,703	–	44,813
Segment result	(2,597)	153	(6,706)	9,645	(81)	(414)
Corporate administration costs						(5,254)
Finance costs						(1,675)
Share of loss of an associate						(608)
Loss before taxation						(7,951)

An analysis of the Group's revenue and results by segment for the six months ended 31 December 2014 (Represented) is as follows:

	Food and beverage HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Reportable segment Securities investment and trading HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	652	1,960	4,103	6,715
Segment result	(2,491)	1,909	(182)	(764)
Corporate income				7,757
Corporate administration costs				(9,806)
Finance costs				(1,903)
Share of loss of an associate				(314)
Loss before taxation				(5,030)

An analysis of the Group's assets and liabilities by segment as at 31 December 2015 is as follows:

	Food and beverage HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Health care services HK\$'000 (Unaudited)	Reportable segment Securities investment and trading HK\$'000 (Unaudited)	Property investment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
ASSETS						
Segment assets	7,064	41,562	14,024	45,295	437,610	545,555
Unallocated assets						86,966
Total assets						632,521
LIABILITIES						
Segment liabilities	1,595	427	1,852	-	117,000	120,874
Unallocated liabilities						29,549
Total liabilities						150,423

An analysis of the Group's assets and liabilities by segment as at 30 June 2015 is as follows:

	Reportable segment					Total HK\$'000 (Audited)
	Food and beverage HK\$'000 (Audited)	Money lending HK\$'000 (Audited)	Health care services HK\$'000 (Audited)	Securities investment and trading HK\$'000 (Audited)	Property investment HK\$'000 (Audited)	
ASSETS						
Segment assets	6,826	12,878	14,464	26,650	330,042	390,860
Unallocated assets						31,196
Total assets						422,056
LIABILITIES						
Segment liabilities	1,755	261	2,087	-	851	4,954
Unallocated liabilities						145,362
Total liabilities						150,316

4. OTHER INCOME

	For the three months ended 31 December		For the six months ended 31 December	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Gain on early redemption of convertible bonds	-	-	-	7,752
Bad debts recovered	576	-	576	-
Interest income	14	-	19	5
	590	-	595	7,757

5. CHANGE IN FAIR VALUE OF FINANCIAL ASSETS THROUGH PROFIT OR LOSS

	For the three months ended 31 December		For the six months ended 31 December	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Gain on change in fair value of convertible bond at fair value through profit or loss	22,875	-	22,875	-
Gain/(loss) on change in fair value of listed securities held for trading	2,473	(2,415)	(5,694)	(474)
	25,348	(2,415)	17,181	(474)

6. FINANCE COSTS

	For the three months ended 31 December		For the six months ended 31 December	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Interest expenses on borrowings	167	8	177	17
Imputed interest on convertible bonds	-	-	-	1,886
Interest on promissory note	469	-	1,498	-
	636	8	1,675	1,903

7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following items:

	For the three months ended 31 December		For the six months ended 31 December	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited) (Represented)
Cost of sales	36,663	328	49,239	4,414
Depreciation for plant and equipment	1,463	482	2,674	963
Operating lease expenses	1,554	1,469	3,108	2,934

8. INCOME TAX

The Company was incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands until 2021. The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and are exempted from payment of the income taxes of the British Virgin Islands accordingly.

No Hong Kong Profits Tax had been made as the Group had no assessable profits derived from Hong Kong for the six months ended 31 December 2015 (2014: Nil).

9. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 31 December 2015 (2014: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	For the three months ended 31 December		For the six months ended 31 December	
	2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Unaudited)
Profit/(loss) attributable to owners of Company for the purpose of calculating basic loss per share (HK\$'000)	9,947	(7,868)	(7,911)	(5,030)
Number of shares		(Restated)		(Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share ('000)	221,894	13,255	212,379	8,419

Diluted earnings/(loss) per share has not been presented as the outstanding convertible bonds which were fully redeemed in September 2014 had an anti-dilutive effect.

11. AVAILABLE-FOR-SALE INVESTMENT

	At 31 December 2015 HK\$'000 (Unaudited)	At 30 June 2015 HK\$'000 (Audited)
Unlisted shares, at cost	50,000	–

On 31 July 2015, the Group completed the subscription of 155 ordinary shares of Co-Lead Holdings Limited ("Co-Lead"), which represents approximately 2.86% equity interest in Co-Lead, at a consideration of HK\$50 million. The consideration was satisfied by cash payment of HK\$25 million and the issuance of a 7.5% per annum promissory note in the principal amount of HK\$25 million by the Company. At 31 July 2015, the fair value of the promissory note approximated to HK\$25 million.

Co-Lead is a company incorporated in the British Virgin Islands and is engaged in the principal activity of investment holding.

12. LOAN RECEIVABLES

The loan receivables arose from the Group's money lending business and are analysed by the remaining period to contractual maturity date as follows:

	At 31 December 2015 HK\$'000 (Unaudited)	At 30 June 2015 HK\$'000 (Audited)
0 to 90 days	35,930	7,210
91 to 180 days	2,600	4,500
181 to 365 days	2,193	–
Over 1 year	324	395
	41,047	12,105
Non-current portion	324	395
Current portion	41,223	12,210
	41,547	12,605
Accumulated impairment loss on loan receivables	(500)	(500)
	41,047	12,105

Loan receivables of HK\$41,047,000 (30.6.2015: HK\$12,105,000) that were neither past due nor impaired related to debtors for whom there is no recent history of default.

13. INVESTMENT PROPERTY HELD FOR SALE

The investment property is a land property situated at nos. 8 & 10 Lomond Road, Kowloon, Hong Kong ("**Land Property**"). It was revalued at HK\$330,000,000 as at 30 June 2015 by Roma Appraisals Limited, an independent professional qualified valuer using direct comparison approach by comparison of sales evidence as available on the market and on the basis that vacant possession of the property for development would be immediately available upon completion of a sale.

On 5 November and 3 December 2015, the Group entered into a provision agreement and a formal agreement ("**Formal Agreement**") respectively for the disposal of the Land Property at a cash consideration of HK\$390,000,000. At the extraordinary meeting of the Company held on 28 December 2015, the Formal Agreement and the transactions contemplated thereunder were approved, confirmed and ratified. Completion for the disposal of the Land Property subsequently took place on 18 January 2016 and a gain on the disposal of approximately HK\$60,000,000 (before expenses) was realized thereafter.

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December 2015 HK\$'000 (Unaudited)	At 30 June 2015 HK\$'000 (Audited)
Trade receivables	4,353	6,851
Accumulated impairment loss on trade receivables	(232)	(3,505)
	4,121	3,346
Other receivables, deposits and prepayments	34,124	3,182
Accumulated impairment loss on other receivables	-	(35)
	38,245	6,493

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

0 to 90 days	640	503
Over 90 days	3,481	2,843
	4,121	3,346

The fair value of the Group's trade receivables as at above reporting periods approximates to the corresponding carrying amount.

15. TRADE AND OTHER PAYABLES, DEPOSITS AND ACCRUED LIABILITIES

	At 31 December 2015 HK\$'000 (Unaudited)	At 30 June 2015 HK\$'000 (Audited)
Trade payables	1,511	1,647
Other payables, deposits and accrued liabilities	123,164	7,178
	124,675	8,825

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

0 to 90 days	40	81
Over 180 days	1,471	1,566
	1,511	1,647

The fair value of the Group's trade payables as at the above reporting periods approximates to the corresponding carrying amount.

16. PROMISSORY NOTE

The movements on the promissory note are as follows:

	At 31 December 2014 HK\$'000 (Unaudited)	At 30 June 2015 HK\$'000 (Audited)
At the beginning of the reporting period	140,650	–
Issuance of promissory note	25,000 <i>(Note b)</i>	140,650 <i>(Note a)</i>
Redemption of promissory note	(140,650)	–
At the end of the reporting period	25,000	140,650

The fair value of the promissory note as at the above reporting periods approximates to the corresponding carrying amount.

Notes:

- a. The Company issued a promissory note at the rate of 6% per annum in the principal amount of HK\$140,650,000 as part of consideration for the acquisition of 51% equity interest in Goldee Holdings Limited and its subsidiary on 17 June 2015. The promissory note has a two-year term and maturing on 17 June 2017. The principal amount of the note was, however, early redeemed by the Company on 17 July 2015.
- b. The Company issued another promissory note at the rate of 7.5% per annum in the principal amount of HK\$25,000,000 as part of consideration for the subscription of 155 ordinary shares of Co-Lead Holdings limited on 29 July 2015 (Note 11). This promissory note has a 6-month term and maturing on 29 January 2016. The principal amount of the note was fully redeemed on the maturity date.

17. SHARE CAPITAL

Notes	Number of shares		Nominal value	
	At	At	At	At
	31 December	30 June	31 December	30 June
	2015	2015	2015	2015
	'000	'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Authorised:				
At the beginning of the reporting period, ordinary shares of HK\$0.02 each (1 July 2014: HK\$0.0001 each)	50,000,000	10,000,000,000	1,000,000	1,000,000
Share consolidation of 10 ordinary shares of HK\$0.0001 each into 1 ordinary share of HK\$0.001 each	(a)	- (9,000,000,000)	-	-
Share consolidation of 20 ordinary shares of HK\$0.001 each into 1 ordinary share of HK\$0.02 each	(b)	- (950,000,000)	-	-
Share consolidation of 10 ordinary shares of HK\$0.02 each into 1 ordinary share of HK\$0.2 each	(c)	(45,000,000)	-	-
At the end of the reporting period, ordinary shares of HK\$0.2 each (at 30 June 2015: HK\$0.02 each)	5,000,000	50,000,000	1,000,000	1,000,000
Issued and fully paid:				
At the beginning of the reporting period, ordinary shares of HK\$0.02 each (1 July 2014: HK\$0.0001 each)	71,579	1,104,625	1,432	110
Share consolidation of 10 ordinary shares of HK\$0.0001 each into 1 ordinary share of HK\$0.001 each	(a)	- (994,162)	-	-
Issue of shares from open offer	(d)	- 883,700	-	884
Placing of shares at a placing price of HK\$0.132 each	(e)	- 198,830	-	199
Placing of shares at a placing price of HK\$0.065 each	(f)	- 238,580	-	239
Share consolidation of 20 ordinary shares of HK\$0.001 each into 1 ordinary share of HK\$0.02 each	(b)	- (1,359,994)	-	-
Issue of shares from open offer	(g)	2,147,358	42,947	-
Share consolidation of 10 ordinary shares of HK\$0.02 each into 1 ordinary share of HK\$0.2 each	(c)	(1,997,043)	-	-
At the end of the reporting period, ordinary shares of HK\$0.2 each (at 30 June 2015: HK\$0.02 each)	221,894	71,579	44,379	1,432

Notes:

- (a) A share consolidation of every 10 issued and unissued shares of HK\$0.0001 took effect in August 2014 resulting in the authorized share capital of HK\$1,000,000,000 dividing into 1,000,000,000,000 consolidated shares of HK\$0.001 each, of which 110,462,472 consolidated shares were then in issue and fully paid or credited as fully paid.
- (b) A share consolidation of every 20 issued and unissued shares of HK\$0.001 took effect in June 2015 resulting in the authorized share capital of HK\$1,000,000,000 dividing into 50,000,000,000 consolidated shares of HK\$0.02 each, of which 71,578,612 consolidated shares were then in issue and fully paid or credited as fully paid.
- (c) A share consolidation of every 10 issued and unissued shares of HK\$0.02 took effect in December 2015 resulting in the authorized share capital of HK\$1,000,000,000 dividing into 5,000,000,000 consolidated shares of HK\$0.2 each, of which 221,893,697 consolidated shares were then in issue and fully paid or credited as fully paid.
- (d) An open offer of 883,699,776 offer shares at a subscription price of HK\$0.2 per offer share on the basis of 8 offer shares for every 1 share held was approved at the extraordinary general meeting of the Company on 11 August 2014. The offer shares were allotted and the net proceeds of approximately HK\$170 million were received on 16 September 2014 accordingly.
- (e) In October 2014, the Company entered into a placing agreement with a placing agent for placing an aggregate of 198,830,000 shares to not less than 6 independent placees at a price of HK\$0.132 per placing share. The placing shares were allotted and the net proceeds of approximately HK\$25.4 million were received on 15 October 2014 accordingly.
- (f) In December 2014, the Company entered into a placing agreement with a placing agent for placing an aggregate of 238,580,000 shares to not less than 6 independent placees at a price of HK\$0.065 per placing share. The placing shares were allotted and the net proceeds of approximately HK\$14.79 million were received on 13 January 2015 accordingly.
- (g) An open offer of 2,147,358,360 offer shares at a subscription price of HK\$0.105 per offer share on the basis of 30 offer shares for every 1 share held was approved at the extraordinary general meeting of the Company on 11 June 2015. The offer shares were allotted and the net proceeds of approximately HK\$215.6 million were received on 17 July 2015 accordingly.

18. RELATED PARTY TRANSACTIONS

Compensation of Directors and key management personnel of the Group during the period was as follows:

	For the three months ended 31 December		For the six months ended 31 December	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Short-term benefits	590	611	1,227	1,219

19. OPERATING LEASE COMMITMENTS

	At 31 December 2015 HK\$'000 (Unaudited)	At 30 June 2015 HK\$'000 (Audited)
Within one year	4,719	4,791
In the second to fifth years inclusive	6,321	571
	11,040	5,362

20. EVENT AFTER THE REPORTING PERIOD

Further to the resolution passed by the shareholders at the extraordinary meeting of the Company held on 28 December 2015, completion for the disposal of the investment property held by the Group took place on 18 January 2016.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospect

Food and Beverage Trading

For the six months ended 31 December 2015, the food and beverage trading only recorded a turnover of HK\$676,000, a slight increase of about 3.7% from the corresponding period in 2014. However, the Group does not anticipate that there is a persistent increasing trend for the volume of business generated by the food and beverage trading as the local retail sector has been suffering from the slowdown in demand for top end luxurious products including quality food and beverage due to the reduction in spending by the mainland visitors. Although the antagonizing sentiment against the mainland visitors is cooling down, the Group does not expect that the business environment for the local retail sector will turn around in the near future as the slowdown in the economic growth of the PRC persists. The Group would therefore continue to adopt its previously stated strategy in diverting its attention to the development of other businesses which can generate a stable return.

Money Lending

Further to the acquisition of the Money Lenders Licence in May 2014, the money lending business has developed into a major revenue-generating unit of the Group. For the six months ended 31 December 2015, the interest income recorded by this business unit amounted to approximately HK\$1.8 million, a reduction of about 10.6% from the corresponding period in 2014 and a segment profit of approximately HK\$153,000 was recorded by the Group during the six months ended 31 December 2015, compared to the profit of approximately HK\$1.9 million for the corresponding period in 2014. This is mainly attributable to a re-allocation of corporate expenses among the Group's business segments in 2015. The Board, however, considers that the performance of the money lending segment is acceptable taking into account this business segment is at its early stage of development and the loan portfolio and customers base are increasing

Nowadays, the regulatory body in Hong Kong is quite concerned with the impact on the capital adequacy ratio of the banks in relation to the bank borrowings granted to the financial services companies. Accordingly, it is closely monitoring the credit approval procedures of the banks towards money lenders. Hence, it may be more difficult for small and medium sized money lenders to seek funding from local banks to support their loans portfolio. This would result in the suppression on the provision of loans by the small and medium sized financial institutions. However, it is believed that this would create an opportunity for the Group to expand its market share in the industry as the Group is not involved in bank borrowings to finance its money lending business, which is mainly funded by equity financing undertaken by the Group. Looking forward, the money lending business will maintain a stable development. The Group will continue to adopt a conservative approach to the lending business and only focuses on loans granted to small and medium enterprises and individuals on a small scale basis. Going forward, the Group will divert more attention to develop the money lending business so as to diversify the business portfolio of the Group.

As at 31 December 2015, the Group has a loan portfolio of approximately HK\$41.1 million (30.6.2015: HK\$12.1 million). The Group targets corporations and individuals with needs of short-term financing of 6 months or less with each individual loan amount of not more than HK\$5 million in order to maintain a quick turnaround of loan portfolio and minimize the credit risk of the Group. The Group will consider expanding the loan portfolio based on the performance of this business segment.

The Board considers that strong cash flow and financial capability are fundamental factors for the successful operation of the money lending business. Quick turnover and the immediate availability of funding requires the availability of a significant amount of cash and liquidity for the operations and expansion of this business segment.

Health Care Services

Due to the increased awareness on health care and pursue of quality of living standard, it is believed that the business in providing hot stone spa and health related services would be prosperous and the demand is expected to sustain in future. The Group has therefore established a health centre in North Point to provide hot stone spa and health related services, which commenced operations in February 2015. For the six months ended 31 December 2015, the revenue recorded in this business segment amounted to approximately HK\$681,000, which is an increase of about 200% over the revenue recorded in the initial five months of operation in the fiscal year 2014-15. Although the Group recorded a segment loss of approximately HK\$6.7 million for the six months ended 31 December 2015, the Board considers that the performance of this business segment is acceptable taking into account the current economic climate and the time required for the development of the business. The Group will, however, embark on more promotional and advertising activities on the health centre with a view to further fostering its revenue so that this business segment would enable the Group to expand and diversify its source of revenue.

Securities Investment and Trading

Subsequent to the boom in the bullish trading of listed securities in the first half of 2015, the stock market has not yet recovered its momentum. During the six months ended 31 December 2015, the Group managed to generate a turnover of approximately HK\$41.7 million (6 months ended 31.12.2014: HK\$4.1 million) from securities trading and made a segment profit of HK\$9.6 million (6 months ended 31.12.2014: loss of HK\$182,000). The profit arising during this six months period is mainly attributable to the gain arising from the change in fair value of the convertible bond acquired by the Group in November 2015. The Board expects that the stock market in Hong Kong will be recovered in the near future after the potential launch of the Shenzhen-Hong Kong Stock Connect and the performance of the securities investment and trading segment will be improved thereafter. The Group will continue to adopt a cautious approach in making investment decision in securities dealing so as to obtain a balance between risk and return.

As at 31 December 2015, the size of the securities investment portfolio amounted to approximately HK\$38.6 million (30.6.2015: HK\$12.3 million). The Group intends to gradually expand and diversify its investment portfolio in order to reduce the relevant concentration and investment risks. Given the nature of securities investment and trading business, it is crucial for the Group to have readily available funds in order to capture suitable investment opportunities which may arise from time to time in a timely fashion to provide investment return to the Group.

Property investment

The Group was a legal and beneficial owner of a land property situated at nos. 8 and 10 Lomond Road, Kowloon with Sub-Section 1 and the remaining Portion of Section C of Kowloon Inland Lot No. 4164 ("**Land Property**"), which is a vacant site and there was no construction work done on the site. The Group held an effective interest of 51% in the Land Property, the carrying value of which as at 30 June 2015 was HK\$330,000,000.

On 5 November and 3 December 2015, the Group entered into a provision agreement and a formal agreement ("**Formal Agreement**") respectively for the disposal of the Land Property at a cash consideration of HK\$390,000,000. At the extraordinary meeting of the Company held on 28 December 2015, the Formal Agreement and the transactions contemplated thereunder were approved, confirmed and ratified. Completion for the disposal of the Land Property subsequently took place on 18 January 2016 and a gain on the disposal of HK\$60,000,000 (before expenses) was realized thereafter.

This business segment will become inactive upon completion of the aforesaid disposal. However, the Group will reactivate this segment again if there is valuable opportunity in the market to warrant any further property development.

Other Developments

- (a) On 31 July 2015, the Group completed the subscription of 155 ordinary shares of Co-Lead Holdings Limited ("**Co-Lead**"), which represents approximately 2.86% equity interest in Co-Lead, at a consideration of HK\$50 million. The consideration was satisfied by cash payment of HK\$25 million and the issuance of a 7.5% per annum promissory note in the principal amount of HK\$25 million by the Company. Co-Lead is a company incorporated in the British Virgin Islands and is engaged in the principal activity of investment holding.
- (b) At the extraordinary general meeting of the Company held on 21 December 2015, the share consolidation of every 10 issued and unissued shares of HK\$0.02 each into 1 share of HK\$0.2 each effective from 22 December 2015 was approved.

Financial Review

The Group posted an unaudited consolidated revenue of approximately HK\$44.8 million for the six months ended 31 December 2015 (six months ended 31 December 2014: approximately HK\$6.7 million), representing a substantial increase of approximately HK\$38.1 million or 567.4% as compared to the six months ended 31 December 2014. The substantial increase in revenue was primarily attributable to the increase in revenue generated from the securities investment and trading.

The Group's gross profit margin has reversed from 34.3% for the six months ended 13 December 2014 to a gross loss margin of 9.9% for the six months ended 31 December 2015. This is primarily due to the disposal of certain listed securities at below costs.

Included in other income for the six months ended 31 December 2015 are bad debts recovered amounting to HK\$576,000.

The administrative and operating expenses for the six months ended 31 December 2015 were augmented by approximately HK\$6.6 million which is a significant increase of 53.4% over the corresponding period in 2014. This is mainly resulted from the administrative expenses incurred in the health care services which only commenced operation in February 2015.

Loss from operations has also increased from approximately HK\$2.8 million for the six months ended 31 December 2014 to approximately HK\$5.7 million for the six months ended 31 December 2015, representing an increase of approximately HK\$2.9 million which was mainly due to the following:

- (i) substantial increase in administrative and operating expenses as discussed above; and
- (ii) Disposal of certain listed securities at below costs resulting in a gross loss of HK\$4.4 million incurred during the six months ended 31 December 2015.

However, the loss from operations was alleviated by a gain of HK\$22.9 million arising from the increase in fair value of the convertible bond acquired by the Group in November 2015.

Share of loss of an associate amounting to HK\$608,000 represents share of results of the Group's 49% interest in Baron's School of Music Limited ("**Baron**"), which was acquired in August 2012. Baron was founded and is currently operated by a famous producer in Hong Kong, Mr. Ronald Ng. It is principally engaged in providing high quality programmes and courses in both classical and contemporary music.

Liquidity and financial resources

As at 31 December 2015, the Group's cash and cash equivalents amounted to approximately HK\$91.9 million (30 June 2015: approximately HK\$16.9 million). The substantial increase in the Group's cash and cash equivalents is primarily attributable to the receipt of the deposits of HK\$117,000,000 from the disposal of the Land Property.

The Company issued a promissory note at the rate of 6% per annum in the principal amount of HK\$140,650,000 as part of consideration for the acquisition of 51% equity interest in Goldee Holdings Limited and its subsidiary on 17 June 2015. The promissory note has a two-year term and maturing on 17 June 2017. The principal amount of the note was, however, early redeemed by the Company on 17 July 2015.

The Company issued another promissory note at the rate of 7.5% per annum in the principal amount of HK\$25,000,000 as part of consideration for the subscription of 155 ordinary shares of Co-Lead Holdings limited on 29 July 2015. This promissory note has a 6-month term and maturing on 29 January 2016. The principal amount of the note was fully redeemed on the maturity date.

On 17 July 2015, the Company issued and allotted 2,147,358,360 shares of the Company at a subscription price HK\$0.105 per share pursuant to an open offer on the basis of 30 offer shares for every 1 share held on 23 June 2015. The net proceeds from the open offer amounting to HK\$ 215.6 million were received accordingly.

Contingent liabilities

As at 31 December 2015, the Group had no contingent liabilities (30 June 2015: Nil).

Exposure to fluctuations in exchange rates and related hedges

No significant exchange risk is expected as the Group's cash, borrowings, income and expenses are mainly settled in Hong Kong dollars. The Board considers its exposure to foreign exchange risk was not significant and therefore, no financial instrument was made to hedge such exposures.

Charge on Group Assets

As at 31 December 2015, the Group did not have any charge on its assets (30 June 2015: Nil).

Capital Structure

As at 31 December 2015, the total number of issued shares of the Company was 221,893,697 ordinary shares of HK\$0.2 each (30 June 2015: 71,578,612 ordinary shares of HK\$0.02 each).

Material Acquisition and Disposal

There was no material acquisition and disposal of subsidiaries and associated company by the Group during the six months ended 31 December 2015.

Significant Investment

On 31 July 2015, the Group completed the subscription of 155 ordinary shares of Co-Lead Holdings Limited ("**Co-Lead**"), which represents approximately 2.86% equity interest in Co-Lead, at a consideration of HK\$50 million. The consideration was satisfied by cash payment of HK\$25 million and the issuance of a 7.5% per annum promissory note in the principal amount of HK\$25 million by the Company. Co-Lead is a company incorporated in the British Virgin Islands and is engaged in the principal activity of investment holding.

Save as disclosed above, the Group did not make any other significant investment during the six months ended 31 December 2015.

Employees, Remuneration policies and Share Option Scheme

As at 31 December 2015, the Group had 32 employees (31 December 2014: 26). The aggregate staff costs and Director's remuneration for the six months ended 31 December 2015 amounted to approximately HK\$3.9 million (six months ended 31 December 2014: HK\$2.9 million). The Group's remuneration policy is formulated on the basis of the performance and experience of individual employee and is in line with the market practices. The Group offers to its employees other fringe benefits including Mandatory Provident Fund and medical benefits. Share options may be granted to employees based on performance evaluation in order to provide incentives and rewards.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2015, there was no interest and short position of the Directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 20 November 2012 for the purpose of providing incentives and rewards to the eligible participants including Directors, who have contributed or may contribute to the Group.

There were no share options granted under the share option scheme since its adoption.

DIRECTOR'S RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the above "**SHARE OPTION SCHEME**", at no time during the six months ended 31 December 2015 was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate, and none of the Directors and chief executives or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2015, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the persons or corporations in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Long Position

Name of substantial shareholder	Capacity	Number of underlying shares held	Approximate percentage of shareholding
Lee Hung Yuen	Beneficial owner	15,190,000	6.84%

Save as disclosed above, as at 31 December 2015, the Company was not notified of any other relevant interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

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

During the six months ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had any business that competed or might compete with the business of the Group.

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' dealing in securities of the Company. The Company's Directors have complied with such code of conduct and the required standard of dealings.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions in the Code on Corporate Governance Practices of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, interim report and quarterly reports and to provide advices and comments thereon to the Board. The audit committee is also responsible for reviewing the accounting principles and practices adopted by the Group and also the auditing, internal control and financial reporting matters.

The audit committee consisted of three independent non-executive Directors, namely Ms. Wong Lai Na, Mr. Tse Yuen Ming and Mr. Sit Bun. Ms. Wong Lai Na is the chairman of the audit committee. The Group's unaudited results for the six months ended 31 December 2015 had been reviewed by the audit committee which was of the opinion that the preparation of such results complied with applicable accounting standards and requirements and that adequate disclosures had been made.

REPORT ON CORPORATE GOVERNANCE

The Company applied the principles and complied with all the code provisions set out in the Code throughout the six months ended 31 December 2015, except the following deviation:

Code provision A.4.1 stipulates that non-executive directors should be appointed for specific terms. The Company has deviated from this provision in that the independent non-executive directors are not appointed for a specific term. They are, however, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

By Order of the Board
CELEBRATE INTERNATIONAL HOLDINGS LIMITED
譽滿國際(控股)有限公司
Leung Wai Kuen, Cerene
Executive Director

Hong Kong, 5 February 2016

As at the date of this report, the directors of the Company are:

Executive Directors

Ms. Leung Wai Kuen, Cerene
Dr. Law Wai Ching
Mr. Lo Sik Yin
Mr. Kwok Ka Chung

Independent Non-executive Directors

Ms. Wong Lai Na
Mr. Tse Yuen Ming
Mr. Sit Bun

This report will remain on the website of GEM at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at <http://www.ciholdings.com.hk>