



中國農業生態有限公司 China Eco-Farming Limited

(Continued into Bermuda with limited liability)
(Stock Code: 8166)

Interim
Report
2016



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This report, for which the directors of China Eco-Farming Limited (the “Company”) (the “Director(s)”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 herein or this report misleading.

This report will remain on the Company’s website at <http://www.aplushk.com/clients/8166chinaeco-farming/index.html> and the “Latest Company Reports” page of the GEM website for at least 7 days from the date of its posting.

HIGHLIGHTS

Financial Highlights

The Company and its subsidiaries (collectively referred to as the “Group”) recorded an unaudited revenue (including continuing and discontinued operations) of approximately HK\$30,425,000 for the six months ended 30 June 2016 (the “Reporting Period”), representing an increase of approximately 10.0% as compared with approximately HK\$27,653,000 for the last corresponding period.

During the Reporting Period, revenue attributable to continuing operations amounted to approximately HK\$30,425,000 (six months ended 30 June 2015: HK\$21,250,000) whereas revenue attributable to discontinued operations amounted to approximately HK\$6,403,000 for the last corresponding period (six months ended 30 June 2016: nil).

The unaudited loss for the period attributable to owners of the Company for the Reporting Period was approximately HK\$24,361,000 (six months ended 30 June 2015: HK\$11,541,000). The basic loss per share of the Company for the six months ended 30 June 2016 is 0.52 HK cents (six months ended 30 June 2015: 0.39 HK cents).

The board of directors of the Company (the “Board”) does not recommend any payment of interim dividend for the Reporting Period.

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

The Board hereby announces the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2016 together with the comparative figures for the last corresponding periods.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Expressed in Hong Kong dollars)*

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Continuing operations					
Revenue	3	12,595	10,045	30,425	21,250
Cost of sales		(11,460)	(9,793)	(27,810)	(20,750)
Gross profit		1,135	252	2,615	500
Other revenue	3	1,408	313	2,788	625
Selling and distribution expenses		(232)	–	(232)	–
Administrative expenses		(10,599)	(6,491)	(21,541)	(12,617)
Finance costs	5	(1,628)	(699)	(3,243)	(1,430)
Gain on disposal of financial assets at fair value through profit or loss		39	3,026	39	3,006
Share of results of associates		(257)	(128)	(602)	(834)
Decrease in fair value of financial assets at fair value through profit or loss		(3,799)	(169)	(7,197)	(135)
Loss before taxation		(13,933)	(3,896)	(27,373)	(10,885)
Taxation	6	–	–	1,508	–
Loss for the period from continuing operations		(13,933)	(3,896)	(25,865)	(10,885)
Discontinued operations					
Loss for the period from discontinued operations	7	–	(30)	–	(1,001)
Loss for the period	8	(13,933)	(3,926)	(25,865)	(11,886)

	For the three months ended 30 June		For the six months ended 30 June	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Loss for the period	(13,933)	(3,926)	(25,865)	(11,886)
Other comprehensive (expense) income for the period:				
<i>Other comprehensive (expense) income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences arising on translation of foreign operations	(406)	(26)	(403)	2
Total comprehensive expense for the period	(14,339)	(3,952)	(26,268)	(11,884)
Loss for the period attributable to owners of the Company:				
– from continuing operations	(13,044)	(3,764)	(24,361)	(10,540)
– from discontinued operations	–	(30)	–	(1,001)
	(13,044)	(3,794)	(24,361)	(11,541)
Loss for the period attributable to non-controlling interests:				
– from continuing operations	(889)	(132)	(1,504)	(345)
	(13,933)	(3,926)	(25,865)	(11,886)

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Total comprehensive expense for the period attributable to owners of the Company:					
– from continuing operations		(13,479)	(3,800)	(24,670)	(10,555)
– from discontinued operations		–	(30)	–	(1,001)
		(13,479)	(3,830)	(24,670)	(11,556)
Total comprehensive expense for the period attributable to non-controlling interests:					
– from continuing operations		(860)	(122)	(1,598)	(328)
		(14,339)	(3,952)	(26,268)	(11,884)
LOSS PER SHARE	<i>10</i>				
From continuing and discontinued operations:					
Basic and diluted (<i>HK cents</i>)		(0.27)	(0.12)	(0.52)	(0.39)
From continuing operations:					
Basic and diluted (<i>HK cents</i>)		(0.27)	(0.12)	(0.52)	(0.36)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*(Expressed in Hong Kong dollars)*

	<i>Notes</i>	At 30 June 2016 \$'000 (Unaudited)	At 31 December 2015 \$'000 (Restated)
Non-current assets			
Plant and equipment		4,678	5,087
Investment properties		190,070	190,070
Goodwill		18,414	18,414
Intangible asset		5,481	6,283
Interests in associates		44,076	44,678
Available-for-sale investments	<i>11</i>	13,000	–
Loan receivables	<i>13</i>	3,814	–
Deposit paid for acquisition of plant and equipment		2,550	1,309
		282,083	265,841
Current assets			
Inventories, finished goods		1,155	1,169
Trade and other receivables	<i>12</i>	14,976	8,792
Loan and interest receivables	<i>13</i>	34,438	28,679
Loan to non-controlling interests		735	735
Financial assets at fair value through profit or loss		31,506	34,022
Bank balances and cash		36,439	36,871
		119,249	110,268
Assets classified as held for sale	<i>14</i>	–	11,290
		119,249	121,558

	<i>Notes</i>	At 30 June 2016 \$'000 (Unaudited)	At 31 December 2015 \$'000 (Restated)
Current liabilities			
Trade and other payables	15	6,260	9,977
Amount due to non-controlling interests		2,012	2,012
Loan from non-controlling interests		735	735
Bank borrowing	16	9,366	9,581
Convertible bonds		306	751
Contingent consideration payable		4,707	4,707
Income tax payable		37	37
		23,423	27,800
Net current assets		95,826	93,758
Total assets less current liabilities		377,909	359,599
Non-current liabilities			
Convertible bonds		56,194	53,397
Contingent consideration payable		8,458	8,458
Deferred tax liabilities		22,371	23,879
		87,023	85,734
Net assets		290,886	273,865
Capital and reserves			
Share capital	17	98,974	90,574
Reserves		147,275	137,056
Equity attributable to owners of the Company		246,249	227,630
Non-controlling interests		44,637	46,235
Total equity		290,886	273,865

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016 (Expressed in Hong Kong dollars)

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Share premium	Equity component of convertible bonds	Share option reserve	Translation reserve	Special reserve	Accumulated losses	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2015	51,177	175,627	37,322	-	(185)	6,026	(133,473)	136,494	(1,448)	135,046
Loss for the period	-	-	-	-	-	-	(11,541)	(11,541)	(345)	(11,886)
Other comprehensive (expense) income for the period:										
Exchange differences arising on translation of foreign operations	-	-	-	-	(15)	-	-	(15)	17	2
Total comprehensive expense for the period	-	-	-	-	(15)	-	(11,541)	(11,556)	(328)	(11,884)
Issue of new shares	1,256	12,686	-	-	-	-	-	13,942	-	13,942
Issue of shares upon conversion of convertible bonds	20,500	-	(17,618)	-	-	-	-	2,882	-	2,882
Capital Contribution to a subsidiary	-	-	-	-	-	-	-	-	20,000	20,000
At 30 June 2015	72,933	188,313	19,704	-	(200)	6,026	(145,014)	141,762	18,224	159,986
At 1 January 2016	90,574	304,528	24,918	2,300	(8,029)	6,026	(192,687)	227,630	46,235	273,865
Loss for the period	-	-	-	-	-	-	(24,361)	(24,361)	(1,504)	(25,865)
Other comprehensive expense for the period:										
Exchange differences arising on translation of foreign operations	-	-	-	-	(309)	-	-	(309)	(94)	(403)
Total comprehensive expense for the period	-	-	-	-	(309)	-	(24,361)	(24,670)	(1,598)	(26,268)
Placing of new shares (note 17)	8,400	33,600	-	-	-	-	-	42,000	-	42,000
Transaction costs attributable to placing of new shares	-	(417)	-	-	-	-	-	(417)	-	(417)
Recognition of equity-settled share based payments (note 18)	-	-	-	1,706	-	-	-	1,706	-	1,706
At 30 June 2016	98,974	337,711	24,918	4,006	(8,338)	6,026	(217,048)	246,249	44,637	290,886

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*(Expressed in Hong Kong dollars)*

	For the six months ended 30 June	
	2016	2015
	\$'000	\$'000
Net cash used in operating activities	(37,863)	(21,521)
Net cash used in investing activities	(2,643)	(11,327)
Net cash from financing activities	40,477	8,404
Net decrease in cash and cash equivalents	(29)	(24,444)
Cash and cash equivalents at the beginning of period	36,871	36,995
Effect of foreign exchange rates changes, net	(403)	2
Cash and cash equivalents at the end of period, represented by bank balances and cash and cash and cash equivalents attributable to discontinued operations	36,439	12,553

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organisation and operations

China Eco-Farming Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 30 November 2000.

The shares of the Company were listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 5 February 2002.

During the year ended 31 December 2007, the Company re-domiciled from the Cayman Islands into Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The change of domicile was approved by the shareholders of the Company on 15 October 2007 and the Company was continued into Bermuda with limited liability with effect from 29 October 2007.

The registered office of the Company is Clarendon House, 2 Church street, Hamilton HM11, Bermuda. The head office and principal place of business of the Company is 25/F., Siu On Centre, 188 Lockhart Road, Wanchai, Hong Kong. The directors of the Company do not consider any company to be the ultimate holding company or parent company of the Company.

During the six months ended 30 June 2016, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the business of one-stop value chain services, property investment, trading of consumables and agricultural products, trading of grocery food products and provision of money lending service. The provision of money lending service was commenced during the six months ended 30 June 2016 upon the grant of money lender licence in Hong Kong on 29 March 2016. During the six months ended 30 June 2015, the Group was also engaged in the health care services and trading of ceramic products which were discontinued from 15 April 2015 and 30 June 2015, respectively (see note 7).

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is also the functional currency of the Company. Other than those subsidiaries established in the People’s Republic of China (the “PRC”) and Taiwan whose functional currencies are Renminbi (“RMB”) and New Taiwan dollars (“NTD”) respectively, the functional currency of the Company and its remaining subsidiaries is HK\$.

The unaudited condensed consolidated financial statements are prepared in HK\$, which is the same as the functional currency of the Group.

2. Basis of preparation and principal accounting policies

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The unaudited condensed financial results have been prepared on the historical cost basis except for the investment properties and certain financial instruments that are measured at fair values.

The accounting policies used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2016 are consistent with those adopted in preparing the audited consolidated financial statements of the Group for the year ended 31 December 2015 except for the following amendments issued by the HKICPA which are or shall be in effect.

Amendments to Hong Kong Financial Reporting Standards ("HKFRSs")	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The adoption of the above amendments in the current period has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the current accounting period.

3. Revenue and other revenue

An analysis of the Group's revenue and other revenue for the three months and six months ended 30 June 2016 is as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Continuing operations:				
One-stop value chain services	6,854	9,772	20,111	20,934
Rental income (note (i))	930	136	1,842	175
Trading of grocery food products	4,504	–	7,601	–
Trading of consumables and agricultural products	295	137	859	141
Provision of money lending service	12	–	12	–
Other revenue (note (ii))	1,408	313	2,788	625
	14,003	10,358	33,213	21,875
Discontinued operations:				
Health care services	–	869	–	6,403
Other revenue	–	23	–	26
	–	892	–	6,429
	14,003	11,250	33,213	28,304

Notes :

(i) Rental income

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Gross rental income	930	136	1,842	175
Less: outgoings (included in cost of sales)	(83)	(6)	(272)	(12)
Net rental income	847	130	1,570	163

(ii) Other revenue

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Interest income	1,050	298	2,140	602
Sundry income	358	15	648	23
	1,408	313	2,788	625

4. Segment information

The Group's operating segments, based on information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focus on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. One-stop value chain services – provision of total solution services including trading, packaging and logistic solutions
2. Property investment – generated rental income from operating leases of Group's investment properties
3. Trading of consumables and agricultural products – trading of consumables and agricultural products
4. Trading of grocery food products – trading of grocery food products
5. Provision of money lending service – provision of money lending service

Upon completion of the acquisition of 70% of the equity interests in YIHE Enterprise Holding Limited ("YIHE"), a company incorporated in the British Virgin Islands, on 30 November 2015, the Group commenced the trading of grocery food products.

The provision of money lending service was commenced during the six months ended 30 June 2016 upon the grant of money lending licence in Hong Kong on 29 March 2016.

Operating segments regarding health care services and trading of ceramic products were discontinued for the six months ended 30 June 2015. The segment information reported in the following does not include any amounts for these discontinued operations, details which are described in note 7.

Segment revenue and results

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

	Unaudited six months ended 30 June 2016					Total HK\$'000
	Continuing operations					
	One-stop value chain services HK\$'000	Property investment HK\$'000	Trading of consumables and agricultural products HK\$'000	Trading of grocery food products HK\$'000	Provision of money lending service HK\$'000	
REVENUE						
External sales	20,111	1,842	859	7,601	12	30,425
Segment profit (loss)	94	(1,382)	(1,242)	(2,479)	(53)	(5,062)
Unallocated corporate other revenue						2,788
Unallocated corporate expenses						(14,096)
Gain on disposal of financial assets at fair value through profit or loss						39
Decrease in fair value of financial assets at fair value through profit or loss						(7,197)
Share of results of associates						(602)
Finance costs						(3,243)
Loss before taxation (continuing operations)						(27,373)

Unaudited six months ended 30 June 2015

	Continuing operations			Total HK\$'000 (restated)
	One-stop value chain services HK\$'000	Property investment HK\$'000	Trading of consumables and agricultural products HK\$'000	
REVENUE				
External sales	20,934	175	141	21,250
Segment loss	(592)	(490)	(1,534)	(2,616)
Unallocated corporate other revenue				625
Unallocated corporate expenses				(9,501)
Gain on disposal of financial assets at fair value through profit or loss				3,006
Decrease in fair value of financial assets at fair value through profit or loss				(135)
Share of results of associates				(834)
Finance costs				(1,430)
Loss before taxation (continuing operations)				(10,885)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) from each segment without allocation of central administration expenses, directors' emoluments, other revenue, gain on disposal of financial assets at fair value through profit or loss, share of results of associates, decrease in fair value changes on financial assets at fair value through profit or loss and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

5. Finance costs

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Continuing operations				
Interest on bank borrowing	49	47	92	47
Effective interest expense on convertible bonds	1,579	652	3,151	1,383
	1,628	699	3,243	1,430

6. Taxation

Continuing operations

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Current tax	-	-	-	-
Deferred tax	-	-	(1,508)	-
Income tax credit recognised in profit or loss	-	-	(1,508)	-

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the three months and six months ended 30 June 2016 and 2015. No provision for Hong Kong Profits Tax is provided as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the three months and six months ended 30 June 2016 and 2015.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. No EIT is provided for the three months and six months ended 30 June 2016 and 2015 as the Group did not derive any assessable profits subject to EIT.

No Taiwan Profit-Seeking Enterprise Income Tax, which is calculated at 17% of the estimated assessable profits, has been provided since there were no assessable profits for the three months and six months ended 30 June 2016 and 2015.

7. Discontinued operations

On 15 April 2015, the Group entered into a termination agreement with the health care operator to terminate the health care service business. As a result, the operating segment of health care services has been ceased by passing a board resolution on 15 April 2015. Details are disclosed in the Company's announcement dated on 15 April 2015.

On 30 June 2015, a board resolution has been passed to discontinue the operating segment regarding trading of ceramic products due to the sluggish ceramic market and the decrease in the product demand of ceramic products.

The loss for the three and six months ended 30 June 2016 and 2015 from the discontinued operations is analysed as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Total loss for the period				
– trading of ceramic products	–	(2)	–	(2)
– health care services	–	(28)	–	(999)
	–	(30)	–	(1,001)

(i) Discontinued operation – health care services

The results of the health care services, which have been included in the unaudited condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	–	869	–	6,403
Cost of sales	–	(663)	–	(4,885)
Other revenue	–	23	–	26
Administrative expenses	–	(257)	–	(2,543)
Loss for the period	–	(28)	–	(999)

(ii) Discontinued operation – trading of ceramic products

The results of the trading of ceramic products, which have been included in the unaudited condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	-	-	-	-
Administrative expenses	-	(2)	-	(2)
Loss for the period	-	(2)	-	(2)

8. Loss for the period

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Loss for the period has been arrived at after charging:				
Directors' and chief executive's emoluments	1,781	439	3,561	742
Other staff costs (excluding directors' and chief executive's emoluments)	1,859	1,214	3,950	2,678
Retirement benefits scheme contributions (excluding directors and chief executive)	139	53	242	115
	3,779	1,706	7,753	3,535
Auditors' remuneration	144	128	288	236
Cost of inventories recognised as an expense	11,378	9,772	27,539	20,708
Amortisation of intangible asset	401	-	802	-
Depreciation for plant and equipment	463	225	868	489
Share based payment expenses (included in directors' and chief executives' emoluments)	853	-	1,706	-
Minimum lease payments paid under operating leases in respect of office premises	519	770	1,047	2,910

9. Dividend

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2016 (2015: nil).

10. Loss per shareFor continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company during both the three months and six months ended 30 June 2016 and 2015 is based on the following data.

	For the three months ended 30 June		For the six months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Unaudited loss attributable to owners of the Company for the purposes of basic and diluted loss per share (HK\$'000)	(13,044)	(3,794)	(24,361)	(11,541)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	4,796,397,368	3,148,106,818	4,662,551,214	2,915,749,038

Diluted loss per share is the same as basic loss per share for the three months and six months ended 30 June 2016. The computation of diluted loss per share does not assume (i) the conversion of the Company's outstanding convertible bonds as at 30 June 2016; (ii) the exercise of share options to subscribe for additional shares (see note 18); and (iii) the issue of contingent issuable shares from the contingent consideration arrangement as at 30 June 2016, since (i) the conversion of outstanding convertible bonds and the exercise of share options would result in an anti-dilutive effect; and (ii) the conditions of the contingent issuable shares were not met, for the three months and six months ended 30 June 2016.

Diluted loss per share is the same as basic loss per share for the three months and six months ended 30 June 2015. The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds as at 30 June 2015 since their conversion would result in an anti-dilutive effect on the basic loss per share for the three months and six months ended 30 June 2015.

From continuing operations

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

	For the three months ended 30 June		For the six months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Unaudited loss attributable to owners of the Company from continuing and discontinued operations (HK\$'000)	(13,044)	(3,794)	(24,361)	(11,541)
Less: Unaudited loss from discontinued operations (HK\$'000)	–	(30)	–	(1,001)
Unaudited loss for the purposes of basic and diluted loss per share from continuing operations (HK\$'000)	(13,044)	(3,764)	(24,361)	(10,540)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operations

Basic and diluted loss per share for the discontinued operations for the three months and six months ended 30 June 2015 are nil and 0.03 HK cents (three months and six months ended 30 June 2016: nil) respectively, based on the loss for the three months and six months ended 30 June 2015 from the discontinued operations of approximately HK\$30,000 and HK\$1,001,000 respectively and the denominators detailed above for both basic and diluted loss per share.

11. Available-for-sale investments

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Audited)
Unlisted equity investments – cost (<i>Note</i>)	13,500	500
Less: Accumulated impairment loss	(500)	(500)
	13,000	–

Note: The unlisted equity investments as at 31 December 2015 represented the investment in unlisted equity securities issued by a private entity incorporated in Hong Kong. They are measured at cost less accumulated impairment losses at 30 June 2016 and 31 December 2015 because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be measured reliably.

On 19 April 2016, a subsidiary of the Company entered into a subscription agreement with a company (the "Issuer"), who is an independent third party to the Group and incorporated in the Cayman Islands, to subscribe for 12,871,287 new shares of the Issuer, representing approximately 0.45% equity interest of the Issuer, at the consideration of approximately HK\$13,000,000 (the "Subscription"). The Subscription was completed on 26 April 2016 and has been classified as available-for-sale investments. As a result, total unlisted equity investments as at 30 June 2016 amounted to HK\$13,500,000.

12. Trade and other receivables

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Restated)
Trade receivables	2,407	1,267
Deposit and other receivables (<i>Note (a)</i>)	15,726	10,501
Less: Allowance for doubtful debts	(3,515)	(3,515)
	12,211	6,986
Prepayments	358	539
	14,976	8,792

The Group does not hold any collateral over the trade and other receivables.

Note:

- (a) Included in the deposit and other receivables was a refundable deposit of HK\$1,980,000 paid for the acquisition of 51% equity interest in an entity incorporated in Taiwan from an independent third party. The project had been terminated during 2015, but the Group could not obtain the refund from the independent third party. Full impairment has been made during the year ended 31 December 2015.
- (b) The credit period granted to the Group's trade customers generally ranges from 0 days to 90 days (31 December 2015: 0 days to 90 days). The ageing analysis of trade receivables presented based on the invoice dates, which approximates the respective revenues recognition dates, at the end of the reporting period, which is as follows:

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Audited)
0 to 30 days	1,151	1,215
31 to 60 days	1,004	52
61 to 90 days	252	-
	2,407	1,267

13. Loan and interest receivables

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Restated)
Fixed-rate loan receivables		
– Secured	30,096	27,896
– Unsecured	10,000	4,000
	40,096	31,896
Interest receivables	2,156	783
	42,252	32,679
Less: Allowance for doubtful debts	(4,000)	(4,000)
	38,252	28,679
Loan and interest receivables analysed for reporting purpose as:		
Non-current assets	3,814	–
Current assets	34,438	28,679
	38,252	28,679

Notes:

- (a) The loan receivables are entered into with contractual maturity within three months to three years (31 December 2015: three months to one year). The Group seeks to maintain tight control over its loan and interest receivables in order to minimise credit risk by reviewing the borrowers' financial positions.
- (b) The secured loan receivables are secured by the unlisted shares, properties of the borrowers or guaranteed by personal guarantees.

- (c) The ranges of effective interest rates (which are equal to contractual interest rates) on the Group's loan receivables are as follows:

	At 30 June 2016 (Unaudited)	At 31 December 2015 (Audited)
Effective interest rate:		
Fixed-rate loan receivables	7% – 18%	8% – 18%

- (d) The following is an ageing analysis of loan and interest receivables, net of allowance for doubtful debts, presented based on the dates which loans are granted to borrowers and interests are accrued.

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Restated)
0 to 90 days	9,228	28,679
91 – 180 days	3,085	–
181 – 365 days	25,939	–
	38,252	28,679

14. Assets classified as held for sale

On 7 December 2015, the Group entered a sale and purchase agreement with an independent third party to dispose of one of the investment properties with fair value amounted to approximately RMB9,700,000, equivalent to approximately HK\$11,408,000 as at 31 December 2015. The disposal has been completed on 18 January 2016 with fair value less costs of disposal of approximately RMB9,600,000, equivalent to approximately HK\$11,290,000.

15. Trade and other payables

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Audited)
Trade payables	881	291
Other payables	5,379	9,686
	6,260	9,977

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period.

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Audited)
0 to 30 days	881	291

The average credit period on purchases of goods is 14 days (31 December 2015: 14 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

16. Bank borrowing

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Audited)
Bank borrowing, secured	9,366	9,581
Carrying amount of bank borrowing that is not repayable within one year from the end of the reporting period but contains a repayment on demand clause (shown under current liabilities)	9,366	9,581
Less: Amount shown under current liabilities	(9,366)	(9,581)
Amount shown under non-current liabilities	-	-

At 30 June 2016 and 31 December 2015, the secured bank borrowing is secured by mortgage over an investment property of the Company located in Taiwan with carrying amount of NTD 80,000,000, equivalent to approximately HK\$19,440,000. The bank borrowing carried a saving deposit rate plus a fixed spread of 0.62% in the first year, 0.87% in the second year and 0.97% from the third to the fifteenth year.

17. Share capital

	Nominal value per share <i>HK\$</i>	Number of shares	Amount <i>HK\$'000</i>
Authorised ordinary shares:			
At 1 January 2015 and 31 December 2015 and 30 June 2016	0.02	9,130,434,785	182,609
Issued and fully paid ordinary shares:			
At 1 January 2015	0.02	2,558,865,060	51,177
Issue of shares upon acquisition of an investment property (<i>Note a</i>)	0.02	62,800,000	1,256
Placing of new shares (<i>Note b</i>)	0.02	629,000,000	12,580
Issue of shares in consideration for the acquisition of a subsidiary (<i>Note c</i>)	0.02	53,040,000	1,061
Issue of shares upon conversion of convertible bonds (<i>Note d</i>)	0.02	1,225,000,000	24,500
At 31 December 2015	0.02	4,528,705,060	90,574
Placing of new shares (<i>Note e</i>)	0.02	420,000,000	8,400
At 30 June 2016	0.02	4,948,705,060	98,974
Authorised convertible preference shares:			
At 1 January 2015, 31 December 2015 and 30 June 2016	0.10	173,913,043	17,391
Issued and fully paid convertible preference shares:			
At 1 January 2015, 31 December 2015 and 30 June 2016	0.10	-	-

Notes:

- (a) On 12 January 2015, a subsidiary of the Company entered into a sale and purchase agreement with an independent third party for the purchase of an investment property located in the PRC at consideration of RMB10,322,000, equivalent to approximately HK\$12,902,000 and was settled by allotment and issuance of 62,800,000 ordinary shares HK\$0.02 each of the Company at a market price of HK\$0.222 per share.
- (b) On 15 June 2015, the Company and Sun International Securities Limited (the "Placing Agent") entered into the placing agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis a maximum of 629,000,000 ordinary shares of the Company at a placing price of HK\$0.2 per placing share (the "2015 Placing").

The gross proceeds from the 2015 Placing were HK\$125,800,000. The net proceeds after deducting the placing commission and other related expenses were approximately HK\$124,542,000. The relevant resolution was passed at the Company's special general meeting on 15 June 2015. The completion of the 2015 Placing took place on 2 July 2015. Further details of the 2015 Placing are set out in the Company's announcements dated 15 June 2015 and 2 July 2015.

- (c) On 28 October 2015, Fantastic Alliance Investments Limited ("Fantastic Alliance"), a subsidiary of the Company, the Company and Hexin Limited ("Hexin") entered into a sale and purchase agreement pursuant to which Hexin has agreed to sell and Fantastic Alliance has agreed to purchase 35,000 ordinary share in YIHE, representing 70% of the entire issued share capital, at a consideration in the sum of up to HK\$68,544,000, which shall be settled and discharged by allotment and issuance of consideration shares at the price of HK\$0.168 per consideration share (i.e. 408,000,000 ordinary shares to be issued upon the condition as stated in the sale and purchase agreement have been satisfied).

During the year ended 31 December 2015, 53,040,000 shares of the Company with par value of HK\$0.02 each were issued at a market price of HK\$0.156 per share.

- (d) During the year ended 31 December 2015, convertible bonds with principal amount of HK\$24,500,000 was converted into 1,225,000,000 ordinary shares of the Company at par at the conversion price of HK\$0.02 per ordinary share.
- (e) On 25 April 2016, the Company and the placing agent entered into the placing agreement, pursuant to which the Company has conditionally agreed to place, and the placing agent has conditionally agreed to procure, on a best-effort basis a maximum of 420,000,000 placing shares at the placing price of HK\$0.10 per placing share (the "2016 Placing").

The gross proceeds from the 2016 Placing were approximately HK\$42,000,000 and the net proceeds after deducting the placing commission and other relevant expenses were approximately HK\$41,583,000. The net proceeds from the placing was used as to general working capital of the Group. Further details of the 2016 Placing are set out in the announcements of the Company dated 25 April 2016 and 3 May 2016.

- (f) All new shares rank *pari passu* with other shares in issue in all respects.

18. Share options

The Company has a share option scheme, which was adopted on 6 May 2011, for eligible employees, the directors of the Company and other selected participants for their contribution to the Group.

Details of the share options outstanding are as follows:

	At 30 June 2016 (Unaudited)	At 31 December 2015 (Audited)
Number of share options outstanding	64,750,000	64,750,000
Exercisable at the end of the period/year	12,950,000	12,950,000
Exercise price	HK\$0.212	HK\$0.212

No share options have been granted, exercised, forfeited or lapsed during the three months and six months ended 30 June 2016 (three months and six months ended 30 June 2015: nil).

For the three months ended and six months ended 30 June 2016, the Group has recognised approximately HK\$853,000 and HK\$1,706,000, respectively (three months and six months ended 30 June 2015: nil) of share based payment expenses in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

19. Operating lease commitment***Commitments under operating lease****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:

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Audited)
Within one year	1,464	1,968
In the second to the fifth year inclusive	684	1,116
	2,148	3,084

Operating lease payments represent rental payable by the Group for certain of its office premises. Leases are negotiated for terms of one to two years (31 December 2015: one to two years) and rentals are fixed over the terms of the leases.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Audited)
Within one year	3,721	3,083
In the second to the fifth year inclusive	3,297	2,954
	7,018	6,037

20. Capital commitment

	At 30 June 2016 HK\$'000 (Unaudited)	At 31 December 2015 HK\$'000 (Audited)
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the condensed consolidated financial statements	–	1,026

21. Fair value measurements of financial instruments***Fair value of the Group's financial assets that are measured at fair value on a recurring basis***

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Level 1	–	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	–	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	–	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial asset	Fair value as at 30 June 2016	Fair value hierarchy	Valuation technique(s) and key inputs
Held-for-trading non-derivative financial assets classified as financial assets at fair value through profit or loss in the unaudited condensed consolidated statement of financial position	Listed equity securities in Hong Kong HK\$31,506,000 (31 December 2015: HK\$34,022,000)	Level 1	Quoted closing prices in an active market

As at 30 June 2016, the management of the Group anticipated that, based on the expected business operation level of Fuyu Zhonghe Xinnong Market Real Estate Co., Ltd, the probability of the triggering event to happen for the year ending 31 December 2016 would be low, the fair value of the profit guarantee as at 30 June 2016 is nil (31 December 2015: nil). The fair value estimates are based on the actual profit in the past and profit forecast in 2016. This is a level 3 fair value measurement.

During the year ended 31 December 2015, a contingent consideration was incurred upon acquisition of YIHE. The fair value of the contingent consideration arrangement of approximately HK\$14,164,000 as at completion of acquisition was estimated by applying the income approach. The fair value estimates are based on the volatility of the Company's shares ranged from 36.8% to 41.3% and assumed that YIHE has reached the net profit of less than HK\$7,000,000 for each of the three years ending 31 December 2016, 2017 and 2018 respectively. This is a level 3 fair value measurement.

The fair value of the contingent consideration as at 30 June 2016 is approximately HK\$13,165,000 (31 December 2015: HK\$13,165,000).

Note: There were no transfers between levels of fair value hierarchy in the current reporting period.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to the short-term maturity or the impact of discounting was not significant.

22. Related party transactions

- (a) The Group entered into the following significant transactions with related parties during the six months ended 30 June 2016 and 2015:

Name of company	Nature of transaction	For the six months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Sino Coronet Limited ("Sino Coronet") (Note i)	Financial assets – Effective Interest expense of the convertible bonds	55	212
Bright Kingdom International Limited ("Bright Kingdom") (Note ii)	Administrative expenses: Consultancy fee paid	300	300
Chan Kee Holdings Limited ("Chan Kee") (Note iii)	Purchases	2,890	–
	Trade and other receivables: Deposit paid	1,191	–
	Administrative expenses: Consultancy fee	80	–
	Other income: Interest income	100	–
	Loan and interest receivables: Advanced loans	6,100	–

Notes:

- (i) The beneficial owner of Sino Coronet is connected to a director of the Company.
- (ii) The beneficial owner of Bright Kingdom is connected with a director of the Company.
- (iii) Chan Kee is connected with a director of a subsidiary of the Company.

(b) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during six months ended 30 June 2016 and 2015 was as follows:

	For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Short-term benefits	4,533	1,927
Post-employment benefits	62	47
	4,595	1,974

The remuneration of directors of the Company and other members of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

23. Events after the reporting period

- (i) Subscription of shares under general mandate and discloseable transaction on acquisition of 5% equity interest of Anhui Damingyuan Tourism Development Company Limited (安徽大明園旅遊發展股份有限公司)

On 19 July 2016, the Company entered into a subscription agreement (the "Subscription Agreement") with Mr. Sun Hui (the "Subscriber"), who owns 80% equity interest of Anhui Xingguang Investment Group Limited* (安徽興光投資集團有限公司) ("Anhui Xingguang"). Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue, on the subscription completion date, in aggregate 288,000,000 subscription shares at a consideration of HK\$43,200,000 at the subscription price of HK\$0.15 per subscription share. The subscription shares shall be allotted and issued under general mandate.

On the same date, Fujian Seton Investment Co., Ltd.* (福建尚同投資有限公司) ("Fujian Seton"), an indirect wholly-owned subsidiary of the Company, and Anhui Xingguang entered into a sale and purchase agreement pursuant to which the Anhui Xingguang has conditionally agreed to sell, and Fujian Seton has conditionally agreed to purchase, the sale shares, representing 5% of the equity interest of Anhui Damingyuan Tourism Development Company Limited ("Anhui Damingyuan"). The consideration for the acquisition is RMB36,000,000 (equivalent to approximately HK\$43,200,000), which shall be paid by Fujian Seton by cash to Anhui Xingguang at acquisition completion.

Anhui Damingyuan is principally engaged in developing a 4A-level resort in Bengbu City Anhui Province, which is still under construction and is expected to be completed by end of 2016.

For details, please refer to the announcements of the Company dated 19 July 2016.

- (ii) Acquisition of 60% of the entire issued share capital of Inno-Bag Limited (“Inno-Bag”) involving issue of the Company’s shares under general mandate

On 29 July 2016, Treasure Max Investment Holdings Limited (“Treasure Max”), a wholly-owned subsidiary of the Company and Ms. Kwok Shuk Kam (“Ms. Kwok”) entered into a sale and purchase agreement, pursuant to which Ms. Kwok agreed to sell 1,200 ordinary shares of Inno-Bag (the “Sale Shares”), representing 60% of the entire issued share capital of Inno-Bag, to Treasure Max, and Treasure Max agreed to acquire the Sale Shares from Ms. Kwok. The consideration for the acquisition is the sum of up to HK\$4,212,000 (subject to adjustment), which shall be satisfied by cash of HK\$2,600,000 and up to HK\$1,612,000 by issue of not more than 12,400,000 shares of the Company at HK\$0.13 per share under the general mandate.

Inno-Bag is a company incorporated in Hong Kong with limited liability. The principal business of Inno-Bag involves trading reusable bags/eco-friendly reusable bags in Hong Kong.

Further details of this acquisition are set out in the announcement of the Company dated 29 July 2016.

24. Comparative figures

Interest receivables were previously included in trade and other receivables in the consolidated statement of financial position. To conform to current period’s presentation, the above amount as at 31 December 2015 have been included in loan and interest receivables in the consolidated statement of financial position to facilitate a better presentation.

* *English name is for identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the six months ended 30 June 2016 (the “Reporting Period”), the Group has been principally engaged in the business of one-stop value chain services, property investment, trading of grocery food products, trading of consumables and agricultural products and provision of money lending service. During the year ended 31 December 2015, the Group discontinued business segments of the health care services and trading of ceramic products.

One-stop Value Chain Services

During the Reporting Period, this business segment reported a revenue of approximately HK\$20,111,000 (six months ended 30 June 2015: HK\$20,934,000) representing a decrease of approximately 3.93% as compared with the last corresponding period. The Group envisages a sign of slowdown in this business segment following the global economic turbulence, in particular after the outbreak of Great Britain’s exit from the European Union. The Group will be cautious in managing resources required for its further development.

Property Investment

During the Reporting period, the property investment segment reported revenue of approximately HK\$1,842,000 (six months ended 30 June 2015: HK\$175,000). At 30 June 2016, the Group held properties in the People’s Republic of China (the “PRC”), Taiwan and Hong Kong for investment purpose amounted to approximately HK\$190,070,000 (31 December 2015: HK\$201,360,000).

The demands in the property markets in Hong Kong, Taiwan and the PRC are relatively stable. The Group will continue to review and optimise the portfolio holding of the investment properties with the aim of maximising its returns.

Trading of Grocery Food Products

The Group’s trading of grocery food products segment which commenced in December 2015 consisted of distribution (i) in the catering channel in Hong Kong for “Mengniu” liquid milk and pasteurized dairy products, including but not limited to pure milk, low fat high calcium milk, “Milk Deluxe”, “Fruit Milk Drink”, and “Yoyi C” under the “Mengniu” brand; and (ii) in peanut oil, corn oil and canola oil under the “Jinlongyu” brand via supermarkets, convenience stores and small-scale stores in Hong Kong.

As disclosed in the Company's announcement dated 4 February 2016, the Group expanded its trading of grocery food products by forming a strategic alliance with Chan Kee, and Chan Kee is the owner of brand name/trade name and goodwill of "Nittin" and "日丁" which specialises in the distribution and sale of various products being ramen and udon products.

During the Reporting Period, this segment reported a revenue of approximately HK\$7,601,000. The Group is further building up its sales and marketing force with a view to deeper penetration into the dedicated markets. Given the fame of the brands and quality of the products, the Group expects to demonstrate growth momentum in this business segment.

Trading of consumables and agricultural products

During the Reporting Period, the trading of consumable and agricultural products segment generated revenue of approximately HK\$859,000 (six months ended 30 June 2015: HK\$141,000).

The competition in this business segment is still very keen and the Group is cautious in its development and will compare its profitability with other business opportunities carefully.

Provision for money-lending service

The Group's provision of money-lending service commenced in late March 2016. During the Reporting Period, this segment reported a revenue of approximately HK\$12,000. The Group is positive about development of this business segment and bigger contribution in revenue in future.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded an unaudited revenue (including continuing and discontinued operations) of approximately HK\$30,425,000 (six months ended 30 June 2015: HK\$27,653,000), representing an increase of approximately 10.0% as compared with the last corresponding period. This increase was mainly attributable to the increase in revenue generated from trading of grocery food products, though partly offset by the effect of cessation of health care services during the year ended 31 December 2015.

Cost of sales (including continuing and discontinued operations) for the Reporting Period amounted to approximately HK\$27,810,000 (six months ended 30 June 2015: HK\$25,635,000), representing an increase of approximately 8.5% as compared with the last corresponding period. The increase was due to change of product mix of the Company's business portfolio during the Reporting Period.

Administrative expenses (including continuing and discontinued operations) for the Reporting Period amounted to approximately HK\$21,541,000 (six months ended 30 June 2015: HK\$15,162,000), representing an increase of approximately 42.1% as compared with the last corresponding period. The increase was mainly due to development and expansion of new business.

Finance costs for the Reporting Period was approximately HK\$3,243,000 (six months ended 30 June 2015: HK\$1,430,000), representing an increase of approximately 126.8% as compared with the last corresponding period. The increase was mainly due to the increase in effective interest expense on convertible bonds as compared with the last corresponding period.

The Group recorded a loss attributable to owners of the Company for the Reporting Period of approximately HK\$24,361,000 (six months ended 30 June 2015: HK\$11,541,000). The basic loss per share of the Company for the six months ended 30 June 2016 is 0.52 HK cents (six months ended 30 June 2015: 0.39 HK cents).

Liquidity and Financial Resources

During the Reporting Period, the Group financed its business operations mainly with its internally generated resources and borrowing. At 30 June 2016, the bank balances and cash of the Group was approximately HK\$36,439,000 (31 December 2015: approximately HK\$36,871,000).

At 30 June 2016, the net assets of the Group was approximately HK\$290,886,000 (31 December 2015: HK\$273,865,000) and the net current assets was approximately HK\$95,826,000 (31 December 2015: HK\$93,758,000).

Gearing Ratio

At 30 June 2016, the total liabilities of the Group amounted to approximately HK\$110,446,000 (31 December 2015: HK\$113,534,000), which mainly comprised of trade and other payables, interest-bearing bank borrowing, amount due to non-controlling interests, loan from non-controlling interests, liability component of convertible bonds and deferred tax liabilities. The liabilities are denominated in Hong Kong dollars, Renminbi and New Taiwan dollars.

At 30 June 2016, the Group had total assets of approximately HK\$401,332,000 (31 December 2015: HK\$387,399,000). The gearing ratio of the Group, expressed as the ratio of total liabilities to total assets, decreased to 0.28 as at 30 June 2016 (31 December 2015: 0.29).

Segmental Information

An analysis of the Group's performance for the Reporting Period by business segment is set out in note 4 to this report.

Capital Structure

As at 30 June 2016, the Company's issued ordinary share capital with an aggregate nominal value of HK\$98,974,101.20 is divided into 4,948,705,060 ordinary shares of HK\$0.02 each ("Shares") (31 December 2015: HK\$90,574,101.20 divided into 4,528,705,060 Shares).

Fund Raising Activities

Issue of 62,800,000 shares as a consideration of an acquisition – completed

On 12 January 2015, Fujian Seton Investment Co., Ltd. (福建尚同投資有限公司) (“Fujian Seton”), an indirect wholly-owned subsidiary of the Company and Mr. Cheung Mong (“Mr. Cheung”) entered into a sale and purchase agreement pursuant to which Fujian Seton agreed to acquire and Mr. Cheung agreed to sell a property situated in the PRC at a consideration of RMB10,000,000 (equivalent to approximately HK\$12,560,000) which shall be settled by cash payment or delivery of securities of equivalent value by a third party. The Group intends to hold the property for investment purpose. On the same date, the Company as the assignee and Mr. Cheung, as the assignor entered into the assignment agreement pursuant to which the Company conditionally agreed to accept and Mr. Cheung conditionally agreed to assign the consideration debt at a consideration of HK\$12,560,000 which is equivalent to the acquisition consideration, to be settled by the issuance of 62,800,000 shares by the Company to the vendor at the issue price of HK\$0.2 each under the general mandate of the Company.

On 22 April 2015, the consideration shares above have been duly allotted and issued to the vendor and completion of the assignment took place on 27 April 2015. Further details of this assignment are set out in the announcements dated 12 January 2015 and 27 April 2015.

Placing of new shares under general mandate – completed

On 15 June 2015, the Company entered into the placing agreement with the placing agent, pursuant to which the Company has conditionally agreed to place, and the placing agent has conditionally agreed to procure, on a best-effort basis, not less than six places for the subscription of up to a maximum of 629,000,000 placing shares at the placing price of HK\$0.20 per placing share under the general mandate. The completion of the placing took place on 2 July 2015, where a total of 629,000,000 placing shares have been successfully placed by the placing agent to not less than six places at the placing price of HK\$0.20 per placing share. The gross proceeds from the placing were approximately HK\$125.8 million and the net proceeds after deducting the placing commission and other relevant expenses were approximately HK\$124.4 million. Further details of the placing are set out in the announcements of the Company dated 16 June 2015 and 2 July 2015.

The net proceeds from placing was used as follow:

Period under review	Aggregate amount used during period under review	Purpose of usage	Remaining balance of placing proceeds as at the last date of period under review
Since completion of placing on 2 July 2015 up to and including 30 June 2016	HK\$55.2 million	General working capital	HK\$0.7 million
	HK\$68.5 million	Future business development	Nil

On 25 April 2016, the Company entered into the placing agreement with the placing agent, pursuant to which the Company has conditionally agreed to place, and the placing agent has conditionally agreed to procure, on a best-effort basis, not less than six places for the subscription of up to a maximum of 420,000,000 placing shares at the placing price of HK\$0.10 per placing share under the general mandate. The completion of the placing took place on 3 May 2016, where a total of 420,000,000 placing shares have been successfully placed by the placing agent to not less than six places at the placing price of HK\$0.10 per placing share. The gross proceeds from the placing were approximately HK\$42.0 million and the net proceeds after deducting the placing commission and other relevant expenses were approximately HK\$41.5 million. Further details of the placing are set out in the announcements of the Company dated 25 April 2016 and 3 May 2016.

The net proceeds from placing was used as follow:

Period under review	Aggregate amount used during period under review	Purpose of usage	Remaining balance of placing proceeds as at the last date of period under review
Since completion of placing on 3 May 2016 up to and including 30 June 2016	HK\$7.3 million	General working capital	HK\$34.2 million

Issue of Convertible Bond III & Convertible Bond IV as a consideration of an acquisition – completed

On 28 May 2015, Skyline Top Limited and Yardley Wealth Management Limited (“Yardley”) became shareholders (the “JV Partners”) of Delightful Hope Limited (the “JV Company”) for the purpose of the proposed acquisition. The JV Company is owned as to 50% by each of the JV Partners.

Upon formation of JV Company, the JV Partners have agreed to make provision for the management and administration of the JV Company’s affairs, and set out their respective obligations and rights on the terms and conditions set in the shareholders’ agreement (the “Shareholders’ Agreement”).

On 29 May 2015, the Company, the JV Company, Yardley and Rich Best Asia Limited (the “Vendor”) entered into the sale and purchase agreement (the “Sale and Purchase Agreement”) pursuant to which (i) the Vendor has agreed to sell and the JV Company has agreed to purchase entire equity interest in China Smart Asia Limited, a subsidiary of Chinese Strategic Holdings Limited (“Chinese Strategic”), which the shares of Chinese Strategic are listed on the GEM of the Stock Exchange (stock code: 8089); and (ii) the Vendor has agreed to assign the JV Company, and the JV Company has agreed to accept the assignment of sale loan at an aggregate consideration of HK\$93,000,000, which shall be settled and discharged by the JV Company in accordance with the time, mode and manner set out under the Sale and Purchase Agreement: (i) forthwith upon the execution of the Sale and Purchase Agreement, the JV Company and Yardley shall jointly and severally pay the sum of HK\$20,000,000 either in cash or by cashier order to Chinese Strategic for and on behalf of the Vendor as deposit (the “Deposit”), and the Deposit shall be applied for part payment of the consideration at completion; (ii) the JV Company and Yardley shall jointly and severally pay a further sum of HK\$26,500,000 either in cash or by cashier order to Chinese Strategic for and on behalf of the Vendor for partial payment of the balance of the consideration at completion; and (iii) the remaining balance of the consideration in the sum of HK\$46,500,000 shall be settled and discharged by the Company’s issuance to the Vendor (or any nominee of the Vendor) (a) the convertible bonds (“Convertible Bond-III”) in the principal amount of HK\$23,000,000; and (b) the convertible bonds (“Convertible Bond-IV”) in the principal amount of HK\$23,500,000 at completion.

Upon exercise of conversion rights attaching to the Convertible Bond-III and Convertible Bond-IV, 186,000,000 new shares shall be issued.

The completion of the acquisition involving the issue of Convertible Bond-III and Convertible Bond-IV as a part of the consideration took place on 20 August 2015.

Further details of the issue of convertible bonds as a consideration of an acquisition are set out in the announcements of the Company dated 29 May 2015, 20 August 2015 and the circular of the Company dated 27 July 2015.

Charges on Group's Assets

As at 30 June 2016 and 31 December 2015, the Group had charges on one of its investment properties to obtain a mortgage financing from a bank in Taiwan of approximately NTD41,000,000 (equivalent to approximately HK\$10,436,000).

Contingent Liabilities

As at 30 June 2016, the Group did not have any material contingent liabilities (31 December 2015: nil).

Capital Commitments

As at 30 June 2016, the Group did not have any material capital commitments (31 December 2015: HK\$1,026,000).

Exposure to Fluctuations in Exchange Rates

All of the Group's assets, liabilities and transactions are mainly denominated either in Hong Kong dollars or Renminbi or New Taiwan dollars. The Directors do not consider that the Group is exposed to any material foreign currency exchange risk. Therefore, no hedging devices or any other alternatives have been implemented.

Significant Investments and Acquisitions

Formation of Right Ocean Asia Limited

On 4 February 2016, Maxford Wealth Limited ("Maxford Wealth"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement (the "JV Agreement") with (i) the non-controlling shareholder (the "Shareholder") of Right Ocean Asia Limited ("Right Ocean"), an indirect non-wholly owned subsidiary of the Company established after year end date, (ii) spouse of the Shareholder as a guarantor and (iii) Right Ocean, in which the Shareholder shall procure Chan Kee to enter into (i) the sole distributorship agreement for the sole and exclusive distributorship to Right Ocean for the sale and distribution of the food products in Hong Kong,

Macau and Taiwan; and (ii) trademark licence agreement with the Company by which a licence will be granted to the Company to utilise the trademark for the purpose of distribution and sale of the food products in Hong Kong, Macau and Taiwan.

In the meantime, a shareholder loan agreement was entered between Maxford Wealth and Right Ocean, pursuant to which Maxford Wealth has agreed to advance a loan of HK\$11,000,000 to Right Ocean, with a fixed interest rate of 5% per annum and repayable on demand.

Another loan agreement was entered between Right Ocean and Chan Kee, pursuant to which Right Ocean has agreed to advance a loan of HK\$6,000,000 to the trademark owner, Chan Kee, with the Shareholder and spouse of the Shareholder as guarantors, an interest rate of 7% per annum, repayable within 36 months after drawdown for business operation.

Further details of the formation of Right Ocean, the sole distributorship agreement, trademark licence agreement and loan agreements are set out in the announcement of the Company dated 4 February 2016.

Disposal of property in Shenzhen

On 7 December 2015, Chengwang Investment Consulting (Shenzhen) Co., Ltd. (承望投資諮詢(深圳)有限公司), a company of limited liability established in the PRC and a wholly-owned subsidiary of the Company ("Chengwang"), as vendor and Mr. Mai Jian Xun ("Mr. Mai") as purchaser entered into a sale and purchase agreement pursuant to which Mr. Mai agreed to acquire and Chengwang agreed to sell a property situated at Shenzhen at a consideration of RMB9,700,000 (equivalent to approximately HK\$11,408,000). Completion of disposal took place on 18 January 2016.

Events after the reporting period

- (i) *Subscription of shares under general mandate and discloseable transaction on acquisition of 5% equity interest of Anhui Damingyuan Tourism Development Company Limited (安徽大明園旅遊發展股份有限公司)*

On 19 July 2016, the Company entered into a subscription agreement (the "Subscription Agreement") with Mr. Sun Hui (the "Subscriber"), who owns 80% equity interest of Anhui Xingguang Investment Group Limited (安徽興光投資集團有限公司) ("Anhui Xingguang"). Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue, on the subscription completion date, in aggregate 288,000,000 subscription shares at a consideration of HK\$43,200,000 at the subscription price of HK\$0.15 per subscription share. The subscription shares shall be allotted and issued under general mandate.

On the same date, Fujian Seton, an indirect wholly-owned subsidiary of the Company, and Anhui Xingguang entered into a sale and purchase agreement pursuant to which the Anhui Xingguang has conditionally agreed to sell, and Fujian Seton has conditionally agreed to purchase, the sale shares, representing 5% of the equity interest of Anhui Damingyuan Tourism Development Company Limited (“Anhui Damingyuan”). The consideration for the acquisition is RMB36,000,000 (equivalent to approximately HK\$43,200,000), which shall be paid by Fujian Seton by cash to Anhui Xingguang at acquisition completion.

Anhui Damingyuan is principally engaged in developing a 4A-level resort in Bengbu City Anhui Province, which is still under construction and is expected to be completed by end of 2016.

For details, please refer to the announcements of the Company dated 19 July 2016.

(ii) Acquisition of 60% of the entire issued share capital of Inno-Bag Limited (“Inno-Bag”) involving issue of the Company’s shares under general mandate

On 29 July 2016, Treasure Max Investment Holdings Limited (“Treasure Max”), a wholly-owned subsidiary of the Company and Ms. Kwok Shuk Kam (“Ms. Kwok”) entered into a sale and purchase agreement, pursuant to which Ms. Kwok agreed to sell 1,200 ordinary shares of Inno-Bag (“the Sale Shares”), representing 60% of the entire issued share capital of Inno-Bag, to Treasure Max, and Treasure Max agreed to acquire the Sale Shares from Ms. Kwok. The consideration for the acquisition is the sum of up to HK\$4,212,000 (subject to adjustment), which shall be satisfied by cash of HK\$2,600,000 and up to HK\$1,612,000 by issue of not more than 12,400,000 shares of the Company at HK\$0.13 per share under the general mandate.

Inno-Bag is a company incorporated in Hong Kong with limited liability. The principal business of Inno-Bag involves trading reusable bags/eco-friendly reusable bags in Hong Kong.

Further details of this acquisition are set out in the announcement of the Company dated 29 July 2016.

OUTLOOK

The global economy has been demonstrating slow growth and weak recovery, and Hong Kong being an externally oriented economy is unable to outperform easily.

During the Reporting Period, the Group continued to reshuffle its resources to develop identified business segments. While the Group will be cautious in managing resources for the further development of one-stop value chain services, the Group placed significant emphasis on the trading of grocery food products segment. Its success hinges on the building of strong sales and marketing team and the diversity of marketing campaigns, resting upon the quality and receptivity of products.

As regard the property investment business, given the relatively stable properties markets in the overall Greater China Region, the Group's expansion plan towards its investment properties portfolio shall become prudent. The main focus is to enhance the rental yield of the Group's existing portfolio.

The equity market is still volatile in particular after the outbreak of Great Britain's exit from the European Union, thus adding some uncertainties on the effect on the Group's performance. The Group will be cautious in managing the investment portfolio.

Historical data shows that the GDP growth rate in China will experience continued slowdown in the coming years, although the Central Government will likely introduce easy monetary policies to stimulate the overall economy. The sudden devaluation of Renminbi last year also posed some uncertainties over the investment returns in China. The good news is that the national strategies of internationalization of Renminbi, the "One-Belt, One Road" and possible launch of "Shenzhen-Hong Kong Stock Connect" elicits enormous investment opportunities in Hong Kong.

The Group shall continue to identify investment opportunities and will select projects which align with the Group's investment strategy and with the ultimate goal of maximising the shareholders' value.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2016, the Group had 40 full-time employees (31 December 2015: 44). Staff costs for the Reporting Period, including Directors' emoluments, were approximately HK\$7,753,000 (six months ended 30 June 2015: approximately HK\$3,535,000).

The Group determines the remuneration and compensation payable to its staff based on individual performance and expertise. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution. Other benefits include retirement schemes.

DIRECTORS' INTERESTS IN CONTRACTS

No Director of the Company had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2016, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, were as follows:

Long position in the underlying shares in respect of the share options of the Company (which were regarded as unlisted physically settled equity derivatives) granted under the share option scheme adopted by the Company on 6 May 2011:

Name	Date of grant	Exercise price per Share (HK\$)	Exercisable period	Outstanding	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding
				as at 1 January 2016				as at 30 June 2016
So David Tat Man	13 July 2015	0.212	14 July 2015 – 13 July 2016	8,550,000	-	-	-	8,550,000
			14 July 2016 – 13 July 2017	12,825,000	-	-	-	12,825,000
			14 July 2017 – 13 July 2018	21,375,000	-	-	-	21,375,000
Lai Yick Fung	13 July 2015	0.212	14 July 2015 – 13 July 2016	2,000,000	-	-	-	2,000,000
			14 July 2016 – 13 July 2017	3,000,000	-	-	-	3,000,000
			14 July 2017 – 13 July 2018	5,000,000	-	-	-	5,000,000
Ng Cheuk Fan, Keith	13 July 2015	0.212	14 July 2015 – 13 July 2016	800,000	-	-	-	800,000
			14 July 2016 – 13 July 2017	1,200,000	-	-	-	1,200,000
			14 July 2017 – 13 July 2018	2,000,000	-	-	-	2,000,000
Yick Ting Fai, Jeffrey	13 July 2015	0.212	14 July 2015 – 13 July 2016	800,000	-	-	-	800,000
			14 July 2016 – 13 July 2017	1,200,000	-	-	-	1,200,000
			14 July 2017 – 13 July 2018	2,000,000	-	-	-	2,000,000
Zhang Min	13 July 2015	0.212	14 July 2015 – 13 July 2016	800,000	-	-	-	800,000
			14 July 2016 – 13 July 2017	1,200,000	-	-	-	1,200,000
			14 July 2017 – 13 July 2018	2,000,000	-	-	-	2,000,000

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the section "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above, at no time during the Reporting Period, there subsisted arrangements to which the Company or any of its subsidiaries is a party, being arrangements whose subjects are, or one of whose objects is, to enable any of the directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate, and none of the directors of the Company, their spouse or their children under the age of 18, had any right to subscribe for the securities of the Company during the Reporting Period.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware of and having made due enquiries, as at 30 June 2016, the following parties, other than the Directors or the chief executive of the Company, had interests or short positions directly or indirectly in the shares and underlying shares of the Company disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the shares and underlying shares of the Company:

Name of shareholders	Number of shares of the Company (Corporate Interests)	Number of underlying shares of the Company	Total	Approximate percentage of the issued share capital (Note 1)
So Chi Yuk (Note 2)	–	500,000,000 (Note 2)	500,000,000	10.10%
Sino Coronet Limited (Note 2)	–	500,000,000 (Note 2)	500,000,000	10.10%
Yardley Finance Limited (Note 3)	–	500,000,000 (Note 3)	500,000,000	10.10%
Chan Kin Sun (Note 3)	–	500,000,000 (Note 3)	500,000,000	10.10%
Chinese Strategic Holdings Limited (Note 4)	442,913,215 (Note 4)	186,000,000 (Note 5)	628,913,215	12.70%
Rich Best Asia Limited (Note 4)	442,913,215 (Note 4)	186,000,000 (Note 5)	628,913,215	12.70%
Top Status International Limited (Note 4)	318,953,215 (Note 4)	–	318,953,215	6.45%

Notes:

1. As at 30 June 2016, the Company's issued ordinary share capital was HK\$98,974,101.20 divided into 4,948,705,060 Shares of HK\$0.02 each.
2. Sino Coronet Limited ("Sino Coronet"), a company incorporated in the British Virgin Islands with limited liability, is holding convertible bonds (the "First CB") in the principal amount of HK\$10,000,000 which can be converted into 500,000,000 new shares of the Company at conversion price of HK\$0.02 per share. Since Sino Coronet is wholly owned by So Chi Yuk, So Chi Yuk was deemed to be interested in the First CB.
3. The First CB was pledged to Yardley Finance Limited ("Yardley Finance"), a company incorporated in Hong Kong with limited liability. Since Yardley Finance is wholly-owned by Chan Kin Sun, Chan Kin Sun was deemed to be interested in the First CB.
4. Top Status International Limited ("Top Status"), a company incorporated in the British Virgin Islands with limited liability, is wholly-owned by Rich Best Asia Limited ("Rich Best"), a company incorporated in the British Virgin Islands. Rich Best is in turn wholly-owned by Chinese Strategic Holdings Limited ("Chinese Strategic"), the issued shares of which are listed on the GEM of the Stock Exchange. As at 30 June 2016, of the 442,913,215 shares, 318,953,215 shares were held by Top Status, 49,000,000 shares were held by Fameway Finance Limited (wholly-owned by Rich Best), 1,120,000 shares were held by Winner Performance Limited (wholly-owned by Rich Best), 73,000,000 shares held by Right Magic Limited (wholly-owned by Rich Best), 400,000 shares were held by Sina Winner Investment Limited (wholly-owned by Rich Best) and 440,000 shares were held by First Champion Worldwide Limited (wholly-owned by Rich Best). As such, both Chinese Strategic and Rich Best were deemed to be interested in 442,913,215 shares.
5. Rich Best is holding convertible bonds (the "Second CB") in the principal amount of HK\$46,500,000 which can be converted into 186,000,000 new shares of the Company at conversion price of HK\$0.25 per share. Since Rich Best is wholly owned by Chinese Strategic, Chinese Strategic was deemed to be interested in the Second CB.

Save for disclosed above, the Company is not aware of any other person, other than a director or the chief executive of the Company, who held interests or short positions in the shares and underlying shares of the Company as at 30 June 2016 as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 6 May 2011 (the "Share Option Scheme"). As at 30 June 2016, options for 64,750,000 Shares were granted by the Company and accepted by the grantees pursuant to the Share Option Scheme. During the Reporting Period, none of options were exercised or lapsed. As at 30 June 2016, options for 64,750,000 Shares remained outstanding.

COMPETING INTERESTS

Mr. Ng Cheuk Fan, Keith, an independent non-executive Director, is a director of Fortune Finance Limited (resigned on 8 July 2016), a wholly-owned subsidiary of China Fortune Financial Group Limited. Fortune Finance Limited is engaged in provision of money lending service which has potential competing interests with the Group's business.

Save as disclosed above, none of the Directors or controlling shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had any business or interest that compete with the business of the Group or has or may have any other conflict of interest with the Group during the Reporting Period.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules throughout the Reporting Period except for the following deviation:

Provision A.2.1 of the CG Code prescribed, among others, the roles of chairman of the Board and chief executive of the Company should be separate and should not be performed by the same individual. Throughout the Reporting Period, the Company did not appoint a chairman of the Board. The Board will keep reviewing the current structure of the Board from time to time. If candidate with suitable knowledge, skills and experience is identified, the Company will make appointment to fill the post as appropriate.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Code"). Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the Code during the Reporting Period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 31 July 2001 with written terms of reference in compliance with GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and the internal control and risk management system of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Ng Cheuk Fan, Keith (Chairman of the Audit Committee), Mr. Yick Ting Fai, Jeffrey and Mr. Zhang Min.

The unaudited condensed consolidated financial results of the Group for the Reporting Period have been reviewed by the Audit Committee.

CHANGE IN INFORMATION OF DIRECTOR

Pursuant to disclosure requirement under Rule 17.50A(1) of the GEM Listing Rules, the change in information of Director are set out below:

Name of Director	Details of change
Mr. Ng Cheuk Fan, Keith	Resignation as executive director, managing director and company secretary of China Fortune Financial Group Limited on 8 July 2016

Save as disclosed above, there is no other information in respect of Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

By Order of the Board
China Eco-Farming Limited
So David Tat Man
Executive Director

Hong Kong, 10 August 2016

As at the date of this report, the executive Directors are Mr. So David Tat Man, Mr. Lai Yick Fung and Mr. Au Yeung Po Leung; and the independent non-executive Directors are Mr. Ng Cheuk Fan, Keith, Mr. Yick Ting Fai, Jeffrey and Mr. Zhang Min.