

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

THIRD QUARTERLY REPORT 2016/2017

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 this report misleading.

RESULTS

The board of Directors (the "Board") announces the unaudited results of the Group for the three months and nine months ended 31 March 2017, together with comparative figures for the same corresponding period in 2016 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the three months ended 31 March		For the nine months ended 31 March	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited) (Represented)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited) (Represented)
Turnover	2	52,330	61,839	159,212	106,652
Revenue	2	3,912	2,489	8,086	5,815
Cost of sales		(3,240)	(3,085)	(8,143)	(7,287)
Gross profit/(loss)		672	(596)	(57)	(1,472)
Other income	3	105	61,024	26,926	77,177
Administrative and operating expenses		(12,060)	(16,572)	(29,902)	(32,168)
Loss on disposal of financial assets at fair value through profit or loss		(10,088)	(1,882)	-	(8,854)
Fair value loss of financial assets at fair value through profit or loss		(4,273)	(1,623)	(40,990)	-
(Loss)/Profit from operations		(25,644)	40,351	(44,023)	34,683
Finance costs		(124)	(187)	(132)	(1,862)
Share of loss of an associate		(313)	(327)	(1,052)	(935)
(Loss)/Profit before taxation		(26,081)	39,837	(45,207)	31,886
Income tax expense	4	(58)	-	(58)	-
(Loss)/Profit for the period		(26,139)	39,837	(45,265)	31,886
Attributable to:					
Owners of the Company		(26,138)	(865)	(45,259)	(8,776)
Non-controlling interests		(1)	40,702	(6)	40,662
		(26,139)	39,837	(45,265)	31,886
Loss per share attributable to owners of the Company					
Basic and diluted (<i>HK cents</i>)		(6.82)	(0.39)	(12.59)	(4.02)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the three months ended 31 March		For the nine months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
(Loss)/Profit for the period	(26,139)	39,837	(45,265)	31,886
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange difference on translation of foreign operations	209	-	17	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	209	-	17	-
Total comprehensive (loss)/income for the period	(25,930)	39,837	(45,248)	31,886
Attributable to:				
Owners of the Company	(25,929)	(865)	(45,242)	(8,776)
Non-controlling interests	(1)	40,702	(6)	40,662
	(25,930)	39,837	(45,248)	31,886

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited consolidated results for the nine months ended 31 March 2017 have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss which are carried at their fair values, and in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the applicable disclosures requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance. The accounting policies used in the preparation of the unaudited consolidated results for the nine months ended 31 March 2017 are consistent with those used in the Group's audited financial statements for the year ended 30 June 2016.

The HKICPA has issued a number of new and revised HKFRS and interpretations that are effective or available for early adoption for the current accounting period of the Company. The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. There have been no significant changes to the accounting policies applied in the unaudited consolidated results for the nine months ended 31 March 2017 and for the prior accounting periods as a result of these developments.

The unaudited consolidated results of the Group for the three months and nine months ended 31 March 2017 are unaudited but have been reviewed by the Company's audit committee.

2. TURNOVER AND REVENUE

For management purposes, the Group is organized into business units based on their products and services and has six (2016: five) reportable operating segments as follows:

- (a) Food and beverage trading is a strategic business unit which is engaged in the provision of quality food and beverage;
- (b) Money lending 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;
- (e) Logistic services provide general services in palletization, receiving and delivery, custom clearance for both air and ocean cargoes, and warehousing. This business segment was acquired in February 2017; and
- (f) Property investment is engaged in investment in properties.

An analysis of the Group's turnover and revenue by reportable segments is as follows:

	For the three months ended 31 March		For the nine months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited) (Represented)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited) (Represented)
Food and beverage trading	359	322	864	998
Interest income from money lending	1,533	1,811	4,666	3,564
Health care services	300	356	798	1,037
Dividend income from listed services	-	-	38	216
Logistic services	1,720	-	1,720	-
Revenue	3,912	2,489	8,086	5,815
Proceeds from sales of listed securities	48,418	59,350	151,126	100,837
Turnover	52,330	61,839	159,212	106,652

3. OTHER INCOME

	For the three months ended 31 March		For the nine months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited) (Represented)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited) (Represented)
Sundries	-	53	89	72
Gain on disposal of financial assets at fair value through profit or loss	-	-	25,512	-
Fair value gain of financial assets at fair value through profit or loss	-	-	-	15,558
Gain on disposal of investment property	-	60,000	-	60,000
Rental income	105	-	105	-
Reversal of impairment loss on trade receivables	-	971	1,220	1,547
	105	61,024	26,926	77,177

4. 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 income taxes of the British Virgin Islands accordingly.

The amount of HK\$58,000 charged for the nine months ended 31 March 2017 represented provision for Hong Kong profits tax made at the rate of 16.5% on the estimated assessable profit generated during the nine months ended 31 March 2017 (nine months ended 31 March 2016: Nil) in Hong Kong.

5. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the nine months ended 31 March 2017 (nine months ended 31 March 2016: Nil).

6. LOSS PER SHARE

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

	For the three months ended 31 March		For the nine months ended 31 March	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company for the purpose of calculating basic loss per share (HK\$'000)	(26,138)	(865)	(45,259)	(8,776)
Number of shares				
Weighted average number of ordinary shares for the purpose of calculating basic loss per share ('000)	383,414	221,894	359,394	218,558

Diluted loss per share has not been presented as the Group had no potential dilutive ordinary shares in issue during the above periods.

7. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2016 (Audited)	63,904	1,392,454	15,826	-	(1,180,476)	291,708	55,945	347,653
Loss for the period	-	-	-	-	(45,259)	(45,259)	(6)	(45,265)
Other comprehensive loss for the period:								
Exchange difference on translation of foreign operations	-	-	-	17	-	17	-	17
Total comprehensive loss for the period	-	-	-	17	(45,259)	(45,242)	(6)	(45,248)
Capital reduction	(63,872)	-	-	-	63,872	-	-	-
Placing of shares	6	10,476	-	-	-	10,482	-	10,482
At 31 March 2017 (Unaudited)	38	1,402,930	15,826	17	(1,161,863)	256,948	55,939	312,887
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	-	-	-	-	(8,776)	(8,776)	40,662	31,886
Subscription of shares pursuant to an open offer	42,947	175,362	-	-	-	218,309	-	218,309
Dividend paid to a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	(146,020)	(146,020)
At 31 March 2016 (Unaudited)	44,379	1,389,779	15,826	-	(1,130,015)	319,969	55,946	375,915

8. 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 nine months ended 31 March 2017, the food and beverage trading only recorded a turnover of HK\$864,000, which is a reduction of about 13.4% from the corresponding period in 2016. It is anticipated that the scale of operation in this business would remain at more or less the same level as the local retail sector is not yet recovered 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. The Group will continuously monitor the operations of this business segment and will rationalize the Group's resources so as to achieve the maximization of the shareholders' value by diverting the attention to the development of other businesses which can generate a stable return.

Money Lending

Since the commencement of business in May 2014, the money lending segment has developed into a major revenue-generating unit of the Group. For the nine months ended 31 March 2017, the interest income recorded by this business unit amounted to HK\$4.7 million, an increase of about 30.9% from the corresponding period in 2016 with a total loan portfolio amounting to HK\$57.9 million as at 31 March 2017 comparing to that of HK\$51.7 million as at 31 March 2016.

Despite the uncertainties of the domestic economy and the local property market, the Group observed that demand for short term financing is still robust. 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.

Looking forward, the money lending business will maintain a stable development and the Group will continue to implement a prudent strategy of focusing on loans granted to small and medium enterprises and individuals on a small scale basis.

Health Care Services

Health care services, which mainly provide hot stone spa and health related services, commenced operation in February 2015 with the establishment of a health centre in North Point. For the nine months ended 31 March 2017, revenue generated from this business segment amounted to approximately HK\$798,000, which has reduced by approximately 23.0% from that of HK\$1.0 million recorded for the corresponding nine months in 2016. The Board considers that the reduction in revenue is mainly caused by the current weak economic climate and the fierce competition in the market for high quality health centres. Looking ahead, the Group will embark on a series of promotional and advertising activities for the health centre so as to position ourselves in the provision of high quality health care services for further developing the business.

In line with the corporate strategy for further fostering the Group's revenue and diversifying the Group's revenue base, the Group is currently in the process of establishing another health centre in Shanghai. Due to unexpected delay in the renovation and construction work, the commencement date of the new health centre has been re-scheduled to July 2017.

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. However, leveraging on our cautious approach to securities trading, the Group still managed to generate a turnover of HK\$151.1 million (9 months ended 31 March 2016: HK\$100.8 million) from securities trading and recognized a profit of HK\$25.5 million (9 months ended 31 March 2016: loss of HK\$8.9 million) on disposal of listed securities during the 9 months ended 31 March 2017.

As at 31 March 2017, the size of the listed securities amounted to approximately HK\$124.1 million (31 March 2016: HK\$122.7 million). The Group intends to 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.

Details of the listed securities investment portfolio as at 31 March 2017 are as follows:

Stock code	Name of the securities	Number of shares held '000	Initial Investment cost (Note) HK\$'000	Market value as at 31 March 2017 HK\$'000	Percentage to the Group's net assets as at 31 March 2017	Unrealized gain/(loss) on change in fair value for the 9 months ended 31 March 2017 (Note) HK\$'000
0279	Freeman Financial Corporation Limited	100,000	41,000	50,000	15.98%	500
0283	Goldin Properties Holdings Limited	1,340	5,349	11,082	3.54%	6,491
0530	Goldin Financial Holdings Limited	400	2,861	1,200	0.38%	(879)
0943	eForce Holdings Limited	45,605	5,930	4,196	1.34%	(365)
1130	China Environmental Resources Group Limited	9,100	2,020	2,048	0.65%	27
1166	Solartech International Holdings Limited	29,360	9,290	13,065	4.18%	2,273
1387	Renhe Commercial Holdings Company Limited	4,500	909	877	0.28%	(32)
8103	Trillion Grand Corporate Company Limited	5,200	5,700	9,568	3.05%	3,831
8153	Code Agriculture (Holdings) Limited	31,930	64,169	22,351	7.14%	(41,994)
8202	Inno-Tech Holdings Limited	12,772	7,468	6,131	1.96%	(1,338)
8228	National Arts Entertainment and Culture Group Limited	4,200	609	596	0.19%	(13)
8356	CNC Holdings Limited	38,900	7,146	3,034	0.97%	(3,846)
				124,148	39.66%	(35,345)

Note: Investment cost represents the average acquisition costs for the listed securities. Some of the investments in the listed securities were made by the Group in prior periods. For those part of investments in the listed securities which were made in prior periods, they were subject to fair value adjustments and gain/(loss) on change in fair value were recognized at the end of the respective periods. The gain/(loss) on change in fair value of the listed securities for the 9 months ended 31 March 2017 excluded those amount being recognized in prior periods.

Details of the listed securities disposed of during the 9 months ended 31 March 2017 are as follows:

Stock code	Name of the securities	Number of shares disposed of <i>'000</i>	Profit/(Loss) on disposal <i>HK\$'000</i>
0005	HSBC Holdings plc	50	158
0283	Goldin Properties Holdings Limited	10,608	27,286
0530	Goldin Financial Holdings Limited	8,298	(12,238)
0985	Netmind Financial Holdings Limited	30,000	(624)
1166	Solartech International Holdings Limited	24,440	2,229
1387	Renhe Commercial Holdings Company Limited	14,260	(72)
1808	Enterprise Development Holdings Limited	20,450	1,643
8153	Code Agriculture (Holdings) Limited	9,220	7,761
8202	Inno-Tech Holdings Limited	3,030	(1,040)
8228	National Arts Entertainment and Culture Group Limited	17,700	739
8269	Wealth Glory Holdings Limited	9,992	(72)
8356	CNC Holdings Limited	15,400	(258)
			25,512

Logistic services

On 24 February 2017, the Company announced that the Group completed the acquisition of 100% equity interest in ACC Logistics Limited ("ACC Logistics") at a consideration of HK\$23,800,000, which will be satisfied: (i) as to HK\$2,000,000 in cash; and (ii) as to HK\$21,800,000 by the issue of a promissory note of the Company. ACC Logistics is engaged in the provision of general services in palletization, receiving and delivery, custom clearance for both air and ocean cargoes, and warehousing. Details of this transaction were set out in the Company's announcement dated 24 February 2017.

The aforesaid acquisition marked a new era for the Group in the provision of logistic services. The Directors considered that the prospect of logistic industry is promising as the trend of globalisation of sourcing, manufacturing, assembling, and distribution has boosted demand for transportation services, including express services. In addition, manufacturing industry relies on logistics companies to transport its goods in order to sell its goods to different countries. These factors, along with the surge in e-commerce, have created a favourable environment for the express and logistic industry.

The Directors also considered that the aforesaid acquisition is in line with the Company's business diversification strategy and represents an attractive investment opportunity of the Company to tap into the logistic industry in Hong Kong with growth potential.

Property investment

Since the disposal of a land property situated at nos. 8 and 10 Lomond Road, Kowloon at a consideration of HK\$390 million in the financial year ended 30 June 2016, the Group has been looking for valuable opportunity in both local and overseas property market for further investment. Finally, on 14 September 2016, the Company announced that the Group entered into an agreement to acquire a residential property located at Hainan in the People's Republic of China at the consideration of RMB8,500,000. Details of this transaction were set out in the Company's announcement dated 14 September 2016.

The acquisition of the property in Hainan was not completed at the end of April 2017 as originally expected. In view of the recent performance of the property market and the price stabilisation policy adopted by the Central Government of the People's Republic of China (the "PRC"), it is expected that property prices in the PRC will come down in the near future and as such, the management is negotiating with the vendor of the property for an extension of the the delivery date of the property for at least another 3 months so as to re-assess the intrinsic value of the property.

Capital Reduction

On 1 April 2016, the Company announced that the reduction of the issued share capital of the Company by reducing the par value of each issued share from HK\$0.20 to HK\$0.0001 by cancelling the paid up share capital to the extent of HK\$0.1999 per issued share is to be implemented. The capital reduction has become effective subsequent to the successful registration by the Registrar of Companies in the Cayman Islands of the order of the Court on 15 August 2016.

Placing

On 20 September 2016, the Company entered into a placing agreement (the "Placing Agreement") with Pico Zeman Securities (HK) Limited, pursuant to which Pico Zeman Securities (HK) Limited agreed to place 63,896,000 placing shares of the Company to not less than six placees on a best effort basis at a placing price of HK\$0.17 per placing share (the "Placing"). The Placing was completed on 11 October 2016 and 63,896,000 placing shares with an aggregate nominal value of HK\$6,389.6 were allotted and issued by the Company to not less than six placees who were independent individuals, corporations and/or institutional investors, who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons.

The placing price of HK\$0.17 represents (i) a discount of approximately 15.0% to the closing price of HK\$0.200 per share as quoted on the Stock Exchange of Hong Kong Limited on 20 September 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 19.8% to the average closing price of HK\$0.212 per share of the Company as quoted on the Stock Exchange of Hong Kong Limited for the last five consecutive trading days up to and including 19 September 2016. The net placing price for the Placing was approximately HK\$0.163 per placing share.

The Placing was conducted by the Company to raise additional funds so as to improve the working capital and strengthen the financial position of the Group for future development. The net proceeds amounting to HK\$10.4 million arising from the Placing was applied as to (i) approximately HK\$5 million the establishment of the new health centre in Shanghai; (ii) approximately HK\$4.5 million for granting of loans under the lending business of the Group; and (iii) approximately HK\$900,000 for operating expenses of the Group.

Rights Issue

On 4 January 2017, the Company announced that the Company proposed to raise a gross proceed of approximately HK\$193.2 million by way of a rights issue of 1,150,241,091 rights shares at a subscription price of HK\$0.168 per rights share on the basis of 3 rights shares for every 1 share held. Subsequent to the extraordinary general meeting held on 9 March 2017, in which the ordinary resolution to approve the aforesaid rights issue, the underwriting agreement in relation to the rights issue and the transactions contemplated thereunder was duly passed, the Company further announced that the first day of dealings in the Company's shares on an ex-rights basis will not take place on 13 March 2017 as originally scheduled due to the fact that additional time is required by the underwriter to procure sub-underwriters and/or subscribers under current market conditions. Finally, a revised timetable and a circular in relation to the rights issue was announced on 18 April 2017 and issued on 21 April 2017 respectively. The extraordinary general meeting to approve the rights issue (with the revised timetable) has been scheduled to be held on 15 May 2017.

Details of the terms and conditions and the revised timetable in relation to the rights issue were set out in the circular of the Company dated 21 April 2017.

Financial Review

The Group posted an unaudited consolidated revenue of approximately HK\$159.2 million for the nine months ended 31 March 2017 (9 months ended 31 March 2016: HK\$106.7 million), representing an increase of HK\$52.6 million or approximately 49.3% as compared to the nine months ended 31 March 2016. The substantial increase in revenue was primarily attributable to the increase in the volume of business traded under the securities investment and trading segment, and the revenue generated from the new business segment, the logistic services.

The Group's gross loss margin has reduced substantially from 25.3% for the nine months ended 31 March 2016 to only 0.7% for the nine months ended 31 March 2017. This is primarily due to the gross profit margin contributed from the logistic services.

Other income has reduced substantially by approximately HK\$50.3 million from HK\$77.2 million for the nine months ended 31 March 2016 to HK\$26.9 million for the nine months ended 31 March 2017. This was primarily attributable to the gain of HK\$60 million arising from the disposal of investment property made in the nine months ended 31 March 2016.

The administrative and operating expenses for the nine months ended 31 March 2017 have reduced by approximately HK\$2.3 million which is a reduction of about 7.0% over the corresponding period in 2016. This is mainly resulted from the conscientious effort of the management to control the costs of operations.

Loss from operations has turned around from a profit of approximately HK\$34.7 million for the nine months ended 31 March 2016 to a loss of approximately HK\$44.0 million for the nine months ended 31 March 2017. This is primarily due to the fair value loss of HK\$41.0 million recorded in the nine months ended 31 March 2017 in respect of the financial assets at fair value through profit or loss.

Share of loss of an associate amounting to HK\$1.1 million 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.

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 March 2017, 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 was no share option 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 nine months ended 31 March 2017 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 March 2017, so far as is known to the Directors and the chief executives of the Company, there was no interest and short position 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.

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

During the nine months ended 31 March 2017, 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 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 consists 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 nine months ended 31 March 2017 have 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 were made.

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, 9 May 2017

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. Chan Wan Yee
Mr. Tse Yuen Ming
Mr. Sit Bun