

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

**2017 / 2018**

**THIRD QUARTERLY REPORT**

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

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

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

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**RESULTS**

The board of Directors announces the unaudited condensed consolidated results of the Group for the three months and nine months ended 31 March 2018, together with comparative unaudited figures for the same corresponding period in 2017 were as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Notes	For the three months ended 31 March		For the nine months ended 31 March	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited) (Represented)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited) (Represented)
<b>Turnover</b>	3	<b>86,101</b>	52,330	<b>135,489</b>	159,212
<b>Revenue</b>	3	<b>11,598</b>	3,912	<b>33,482</b>	8,086
<b>Cost of sales</b>		<b>(6,482)</b>	(3,240)	<b>(23,131)</b>	(8,143)
<b>Gross profit/(loss)</b>		<b>5,116</b>	672	<b>10,351</b>	(57)
Other income	4	<b>21,282</b>	105	<b>2,427</b>	26,926
Administrative and operating expenses		<b>(11,558)</b>	(12,060)	<b>(44,448)</b>	(29,902)
Other expenses	5	<b>(33,988)</b>	(14,361)	<b>(52,411)</b>	(40,990)
<b>Loss from operations</b>		<b>(19,148)</b>	(25,644)	<b>(84,081)</b>	(44,023)
Finance costs		<b>(850)</b>	(124)	<b>(2,601)</b>	(132)
Share of loss of an associate		<b>(283)</b>	(313)	<b>(944)</b>	(1,052)
<b>Loss before taxation</b>		<b>(20,281)</b>	(26,081)	<b>(87,626)</b>	(45,207)
Income tax credit/(expense)	6	<b>109</b>	(58)	<b>329</b>	(58)
<b>Loss for the period</b>		<b>(20,172)</b>	(26,139)	<b>(87,297)</b>	(45,265)
<b>Attributable to:</b>					
Owners of the Company		<b>(20,170)</b>	(26,138)	<b>(87,288)</b>	(45,259)
Non-controlling interests		<b>(2)</b>	(1)	<b>(9)</b>	(6)
		<b>(20,172)</b>	(26,139)	<b>(87,297)</b>	(45,265)
<b>Loss per share attributable to owners of the Company</b>					
Basic and diluted ( <i>HK cents</i> )	8	<b>(1.32)</b>	(6.82)	<b>(5.70)</b>	(12.59)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	For the three months ended 31 March		For the nine months ended 31 March	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
<b>Loss for the period</b>	<b>(20,172)</b>	(26,139)	<b>(87,297)</b>	(45,265)
<b>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</b>				
Exchange difference on translation of foreign operations	<b>(1,145)</b>	209	<b>105</b>	17
<b>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods, net of tax</b>	<b>(1,145)</b>	209	<b>105</b>	17
<b>Total comprehensive loss for the period</b>	<b>(21,317)</b>	(25,930)	<b>(87,192)</b>	(45,248)
<b>Attributable to:</b>				
Owners of the Company	<b>(21,315)</b>	(25,929)	<b>(87,183)</b>	(45,242)
Non-controlling interests	<b>(2)</b>	(1)	<b>(9)</b>	(6)
	<b>(21,317)</b>	(25,930)	<b>(87,192)</b>	(45,248)

Notes:

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated results for the nine months ended 31 March 2018 have been prepared in accordance with the applicable disclosure requirements set out in the Chapter 18 of the GEM Listing rules and the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited condensed consolidated results for the nine months ended 31 March 2018 have been prepared under the historical cost convention except for the valuation of certain financial instruments, which are measured at fair values, as appropriate. The accounting policies used in the preparation of the unaudited condensed consolidated results for the nine months ended 31 March 2018 are consistent with those used in the Group’s audited financial statements for the year ended 30 June 2017. The unaudited condensed consolidated results of the Group for the three months and nine months ended 31 March 2018 are unaudited.

## 2. APPLICATION OF NEW AND REVISED HKFRS

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 condensed consolidated results for the nine months ended 31 March 2018 and for the prior accounting periods as a result of these developments.

## 3. TURNOVER AND REVENUE

For management purposes, the Group are organized into business units based on their products, services and investments and has six (2017: 6) 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) Logistic services provide general services in palletization, receiving and delivery, custom clearance for both air and ocean cargoes, and warehousing;
- (d) Health care services operates a health centre for the provision of hot stone spa and health related services;
- (e) Securities investment and trading is engaged in purchase and sale of securities and investment; 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	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Food and beverage trading	1,848	359	8,227	864
Interest income from money lending	5,937	1,533	11,465	4,666
Logistic services	3,560	1,720	12,936	1,720
Health care services	253	300	854	798
Dividend income from listed securities	-	-	-	38
Property investment	-	-	-	-
<b>Revenue</b>	<b>11,598</b>	3,912	<b>33,482</b>	8,086
Proceeds from sales of listed securities	74,503	48,418	102,007	151,126
<b>Turnover</b>	<b>86,101</b>	52,330	<b>135,489</b>	159,212

#### 4. OTHER INCOME

	For the three months ended 31 March		For the nine months ended 31 March	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Gain on disposal of financial assets at fair value through profit or loss	-	-	-	25,512
Gain on fair value change of Investment Properties	1,783	-	1,783	-
Fair value gain of financial assets at fair value through profit or loss	18,977	-	-	-
Reversal of impairment loss on trade receivables	515	-	515	1,220
Rental income	-	105	-	105
Bank interest income	1	-	2	-
Sundries	6	-	127	89
	<b>21,282</b>	105	<b>2,427</b>	26,926

**5. OTHER EXPENSES**

	For the three months ended 31 March		For the nine months ended 31 March	
	2018 <i>HK\$'000</i> <b>(Unaudited)</b>	2017 <i>HK\$'000</i> (Unaudited) (Represented)	2018 <i>HK\$'000</i> <b>(Unaudited)</b>	2017 <i>HK\$'000</i> (Unaudited) (Represented)
Impairment loss on an investment fund	<b>2,026</b>	–	<b>15,388</b>	–
Loss on early redemption of promissory notes	<b>45</b>	–	<b>328</b>	–
Loss on disposal of financial assets at fair value through profit or loss	<b>9,917</b>	10,088	<b>6,017</b>	–
Fair value loss of financial assets at fair value through profit or loss	–	4,273	<b>8,678</b>	40,990
Provision for doubtful debts	<b>22,000</b>	–	<b>22,000</b>	–
	<b>33,988</b>	14,361	<b>52,411</b>	40,990

**6. INCOME TAX**

The income tax credit of approximately HK\$329,000 for the nine months ended 31 March 2018 represents a deferred tax credit arising from reversal of timing differences of intangible assets from acquisition of subsidiaries.

**7. DIVIDEND**

The Directors do not recommend the payment of any dividend for the nine months ended 31 March 2018 (nine months ended 31 March 2017: Nil).

## 8. 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	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Loss attributable to owners of the Company for the purpose of calculating basic loss per share (HK\$'000)	<b>(20,170)</b>	(26,138)	<b>(87,288)</b>	(45,259)
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of calculating basic loss per share ('000)	<b>1,533,655</b>	383,414	<b>1,533,655</b>	359,394

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



**9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Accumulated losses	Total	Non- controlling interests	Total equity
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>At 1 July 2017 (Audited)</b>	<b>153</b>	<b>1,589,573</b>	<b>15,826</b>	<b>316</b>	<b>(1,227,044)</b>	<b>378,824</b>	<b>55,939</b>	<b>434,763</b>
Loss for the period	-	-	-	-	(87,288)	(87,288)	(9)	(87,297)
Other comprehensive (loss)/income for the period:								
Exchange difference on translation of foreign operations	-	-	-	105	-	105	-	105
Total comprehensive (loss)/income for the period	-	-	-	105	(87,288)	(87,183)	(9)	(87,192)
<b>At 31 March 2018 (Unaudited)</b>	<b>153</b>	<b>1,589,573</b>	<b>15,826</b>	<b>421</b>	<b>(1,314,332)</b>	<b>291,641</b>	<b>55,930</b>	<b>347,571</b>
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)/income for the period:								
Exchange difference on translation of foreign operations	-	-	-	17	-	17	-	17
Total comprehensive (loss)/income 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

**10. 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 2018, the food and beverage trading recorded a turnover of approximately HK\$8.2 million (the nine months ended 31 March 2017: HK\$0.9 million). The notable increase of turnover is mainly due to an acquisition of a meat company which was completed in June 2017.

The Group expanded its footprint into meat industry to reinforce its main business, food and beverage. The Group engages in feed, breeding, producing and sales of its meat products. It develops its own production chain to cover the whole industry. At the same time, it also conveys an import idea consistently carried by the Group, to bring green and organic food to the consumers. 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.

The Group is also actively looking at opportunities of engaging in production and distribution of high-margin food items including organic rice and healthy beverages. The Group is looking at sourcing high-end organic rice from Thailand for distribution in Hong Kong; and high-end organic rice from the PRC for distribution in the domestic market there. These high-end organic rice products to be branded “有機可成” in Chinese will be available in specially designed packets of smaller portions to better differentiate from peers in the mass market and more precisely customized to preferences of consumers in Hong Kong and the PRC. The distribution will be via high-end connoisseur grocery stores in both Hong Kong and the PRC to match the positioning of this product, and via e-commerce channels. Proportionately strong efforts will be put into marketing the organic rice and fruit juice products in both markets along the healthy lifestyle theme.

#### ***Money Lending***

Since the commencement of business in May 2014, the money lending segment has developed into a major revenue-generating segment for of the Group. For the nine months ended 31 March 2018, the interest income recorded by this business unit amounted to HK\$11.5 million, an increase of about 1.5 times from the corresponding period in 2017.

In April 2018, a new management team of the Company has reviewed the loan portfolio for the nine months ended 31 March 2018, the new management team considered to make a provision of doubtful debts of approximately HK\$22.0 million (nine months ended 31 March 2017: nil) for certain outstanding loans. The basis of the provision is based on the aging analysis as of 31 March 2018, when a borrower is not able to repay the principal and interest at due date, a provision will be made. The Group will frequently review the quality of borrowers and take appropriate steps when it is necessary.

### ***Logistic services***

The Group entered into the logistic industry during the financial year ended 30 June 2017 through the acquisition of 100% equity interest in ACC Logistics Limited (“ACC Logistics”). 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.

The Group considers the prospect of logistic industry promising as the trend of globalization of sourcing, manufacturing, assembling, and distribution has boosted demand for transportation services, including express services. In addition, the manufacturing industries rely on logistic companies to transport goods for distribution to different countries. These, when coupled with the rapid development of e-commerce, have created a favorable environment for the express and logistics industry.

This business segment has contributed approximately HK\$12.9 million to the Group’s revenue in the nine months ended 31 March 2018, an increase of about 6.5 times from the corresponding period in 2017.

### ***Health Care Services***

The health care services segment primarily comprises a hot stone spa and health related services in a healthcare centre located in North Point. It has always been under very intensive competition since commencing operation in February 2015 with the establishment of a health centre in North Point. For the nine months ended 31 March 2018, revenue generated from this business segment amounted to approximately HK\$0.9 million, which has increased by approximately 12.5% from that of approximately HK\$0.8 million recorded for the corresponding period in 2017.

### ***Securities Investment and Trading***

The Group managed to generate a turnover of approximately HK\$102.0 million (nine months ended 31 March 2017: approximately HK\$151.1 million) from securities trading and recognized a loss on disposal of approximately HK\$6.0 million (nine months ended 31 March 2017: gain on disposal of approximately HK 25.5 million) on disposal of listed securities during the nine months ended 31 March 2018.

As at 31 March 2018, the size of the listed securities amounted to approximately HK\$98.7 million (31 March 2017: approximately HK\$124.1 million). The Group intends to diversify its investment portfolio in order to reduce concentration and better manage investment risks. Given the nature of securities investment and trading business, it is crucial for the Group to maintain a reasonable sum of readily available funds to capture suitable investment opportunities which may arise from time to time to generate investment return.

Details of the listed securities investment portfolio are as follows:

Stock code	Name of investee company	Principal activities	Number of shares held		Investment cost		Fair value		Gain/(Loss) on change in fair value	
			(as at 31 March)		(as at 31 March)		(as at 31 March)		(as at 31 March)	
			2018	2017	2018	2017	2018	2017	2018	2017
					(Note)				(Note)	
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
0279	Freeman Fintech Corporation Limited	Provision of securities and futures, insurance brokerage and financial advisory services	-	100,000	-	41,000	-	50,000	-	500
0283	Goldin Properties Holdings Limited	Development and investment of property; operation of hotel and polo club	-	1,340	-	5,349	-	11,082	-	6,491
0530	Goldin Financial Holdings Limited	Provision of factoring service, investment, winery business, property development and investment	1,000	400	3,548	2,861	3,650	1,200	102	(879)
0943	eForce Holdings Limited	Manufacture and sale of healthcare and household products, and coal mining	56,605	45,605	3,750	5,930	13,585	4,196	9,835	(365)
1130	China Environmental Resources Group Limited	Motor trading, car parking spaces rental, money lending business and securities trading and investment business	2,260	9,100	445	2,020	780	2,048	335	27
1166	Solartech International Holdings Limited	Manufacturing and trading of cable and wires, copper rods, metallurgical grade bauxite, holding of mining right and exploration and evaluation assets	69,000	29,360	37,183	9,290	57,270	13,065	20,087	2,273
1387	Renhe Commercial Holdings Company Limited	Properties and construction, properties, property investment	-	4,500	-	909	-	877	-	(32)
8103	Trillion Grand Corporate Company Limited	Systems development, professional services, proprietary trading and money lending	7,020	5,200	13,449	5,700	7,933	9,568	(5,516)	3,831
8153	Code Agriculture (Holdings) Limited	Manufacture and sale of tobacco agricultural machinery, provision of car beauty services and money lending	60,185	31,930	17,483	64,169	6,620	22,351	(10,863)	(41,994)
8202	Inno-Tech Holdings Limited	Buses and bus stations advertising business in the People's Republic of China	37,662	12,772	30,918	7,468	7,871	6,131	(23,047)	(1,338)
8228	National Arts Entertainment and Culture Group Limited	Film production and distribution, provision of management services for artists and operations of film studio and hotels	2,840	4,200	633	609	1,022	596	389	(13)
8356	CNC Holdings Limited	Provision of waterworks engineering services, television broadcasting and large outdoor display screen advertising	-	38,900	-	7,146	-	3,034	-	(3,846)
							<b>98,731</b>	124,148	<b>(8,678)</b>	(35,345)

Details of the listed securities disposed of are as follows:

Stock code	Name of the investee company	Nine months ended 31 March 2018		Nine months ended 31 March 2017	
		Number of shares disposed of	Gain/(loss) on disposal	Number of shares disposed of	Gain/(loss) on disposal
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
0005	HSBC Holdings plc	-	-	50	158
0279	Freeman Fintech Corporation Limited	100,000	(2,000)	-	-
0283	Goldin Properties Holdings Limited	-	-	10,608	27,286
0530	Goldin Financial Holdings Limited	6,056	1,748	8,290	(12,238)
0985	CST Group Limited	-	-	30,000	(624)
1166	Solartech International Holdings Limited	25,720	5,172	24,440	2,229
1387	Renhe Commercial Holdings Company Limited	-	-	14,260	(72)
1808	Enterprise Development Holdings Limited	-	-	20,450	1,643
2112	CAA Resources Limited	1,700	18	-	-
8103	Trillion Grand Corporate Company Limited	1,500	(90)	-	-
8153	Code Agriculture (Holdings) Limited	10,120	(824)	9,200	7,761
8202	Inno-Tech Holdings Limited	14,200	(9,248)	3,030	(1,040)
8228	National Arts Entertainment and Culture Group Limited	1,360	(12)	17,700	739
8269	Wealth Glory Holdings Limited	-	-	9,992	(72)
8356	CNC Holdings Limited	19,900	(781)	15,400	(258)
			<b>(6,017)</b>		<b>25,512</b>

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 amounts being recognized in prior periods.

### ***Property Investment***

In November 2017, the Group completed the acquisition of an investment property at a consideration of RMB8,500,000 (equivalent to HK\$10,212,000) pursuant to a sales and purchase agreement signed on 14 September 2016. The investment property is a residential unit situated in Clearwater Bay Resort, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan, the People's Republic of China (the "PRC") (中國海南省陵水縣英州鎮清水灣旅遊度假區).

On 23 June 2017, the Group entered into an acquisition for a residential property (the "Property") situated at 48 Liangmaqiao Road, the Chao Yang District, Beijing for a consideration of HK\$34.2 million, the acquisition was completed on 18 January 2018. In light of the increasing price of second-hand properties in Beijing and the strong demand for residential areas in Chao Yang district, the group believes that the property will be benefited from the appreciation in property market.

The group is prospecting property development and investment opportunities in Hong Kong and the PRC.

### **The General Offer**

On 23 November 2017, through a wholly-owned vehicle Nieumarkt Investments Ltd, Mr. Ng Kwok Wing, Michael ("Mr Ng") purchased a total of 912,082,400 shares, representing approximately 59.47% of the total issued capital of the Company at HK\$0.170 each, for a total consideration of HK\$155,054,008. Nieumarkt Investments Ltd then made a general offer for all remaining outstanding shares it had not already owned at the same price. On 17 January 2018, Nieumarkt Investments Ltd received valid acceptances for 79,607,059 Shares, representing approximately 5.19% of the Company's issued share capital. As a result, Nieumarkt Investment saw its control in the Company boost to 64.66% upon completion of the general offer.

Mr. Ng is an experienced investor with more than 20 years of experience in investing in real properties and stocks. Mr. Ng is also a philanthropist serving as a member on numerous boards and committees of the Government of Hong Kong including, amongst others, the Tsuen Wan District Fire Safety Committee and Advisory Committee of Opportunities for Elderly Project of the Social Welfare Department. Mr. Ng has also been a member on numerous boards and committee of community services organizations including, amongst others, the Tung Wah Group of Hospitals, the Yan Chai Hospital, chairman of The Hong Kong Wan Chai District Association Ltd, vice chairman of The Hong Kong Island Social Service Charitable Foundation, vice president of the Wan Chai and Central and Western District Industries and Commerce Association and Member of Investigation Panel A of the Hong Kong Institute of Certified Public Accountants (HKICPA). Mr. Ng has been appointed as an Executive Director and Chairman of the Board since 26 March 2018.

Nieumarkt Investments Ltd has been conducting a review of the financial position, operations, existing investments and proposed investments of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases.

## **Financial Review**

### **Turnover**

The Group posted an unaudited consolidated turnover of approximately HK\$135.5 million for the nine months ended 31 March 2018 (the nine months ended 31 March 2017: approximately HK\$159.2 million), representing a decrease of HK\$23.7 million or approximately 14.9% as compared to the nine months ended 31 March 2017. The decrease in turnover was primarily attributable to the decrease in the volume of business traded under the securities investment and trading segments.

### **Gross profit**

For the nine months ended 31 March 2018, the Group posted a gross profit approximately of HK\$10.3 million (the nine months ended 31 March 2017: a gross loss of approximately HK\$0.1 million, representing an increase of approximately HK\$11.3 million as compared to the nine months ended 31 March 2017). The turnaround is mainly due to improvements in costs control over food and beverage and logistic services segments, as well as an increase in loan interest income.

### **Other income**

Other income has reduced substantially by approximately HK\$24.5 million from HK\$26.9 million for the nine months ended 31 March 2017 to approximately HK\$2.4 million for the nine months ended 31 March 2018. The change is mainly due to a net loss on disposal of financial assets at fair value through profit or loss for the nine months ended 31 March 2018 was recorded (the nine months ended 31 March 2017: a gain on disposal of financial assets at fair value through profit or loss of approximately HK\$25.5 million).

On the other hand, the group recorded a net fair value gain of financial assets through profit or loss of approximately HK\$18.9 million for the three months ended 31 March 2018. (the three months ended 31 March 2017: nil)

### **Administrative and operating expenses**

Administrative and operating expenses from continuing operations for the nine months ended 31 March 2018 were approximately HK\$44.5 million, as compared to approximately HK\$29.9 million for the nine months ended 31 March 2017. Administrative expenses mainly consist of staff costs, depreciation, operating lease rentals for office, legal and professional fees and others. The Group will continue to adopt the stringent cost controls in the forthcoming periods. For the nine months ended 31 March 2018, the increase in administrative and operating expenses is mainly due to increase in costs of legal and professional fee in respect of a number of corporate transactions and staff costs for newly acquired business in June 2017.

### **Other expenses**

Other expenses has increased by approximately HK\$11.4 million from approximately HK\$41.0 million for the nine months ended 31 March 2017 to approximately HK\$52.4 million for the nine months ended 31 March 2018, it is mainly attributable to a provision for doubtful debts of approximately HK\$22.0 million (the nine months ended 31 March 2017: nil) and an impairment loss on an investment fund of approximately HK\$15.4 million (the nine months ended 31 March 2017: nil).

### **Loss from operations**

Loss from operations has also increased from approximately HK\$44.0 million for the nine months ended 31 March 2017 to approximately HK\$84.1 million for the nine months ended 31 March 2018, representing an increase of approximately HK\$40.1 million. This is mainly due to an increase in other expenses, details of which are stated above.

### **Share of loss of an associate**

Share of loss of an associate amounting to approximately HK\$0.9 million (the nine months ended 31 March 2017: approximately 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 2018, the 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 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, 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, were as follows:

### **Long position in ordinary shares of the Company**

<b>Name of Directors</b>	<b>Capacity/nature of interest</b>	<b>Number of issued ordinary shares held</b>	<b>Approximate percentage of shareholdings</b>
Ng Kwok Wing Michael ( <i>Note</i> )	Interest of controlled corporation	991,689,459	64.66%

*Note:* 991,689,459 shares of the Company are held by Nieumarkt Investment Ltd, a company wholly owned by Mr. Ng, the Chairman of the Company.

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules as at 31 March 2018.

### **SHARE OPTION SCHEME**

Pursuant to an ordinary resolution passed at the annual general meeting held on 20 November 2012, a new share option scheme ("Option Scheme") was adopted for the purpose of providing incentives and rewards to eligible participants who have contributed or may contribute to the success of the Group's operation.

There was no share option granted under the share option scheme since its adoption, and there was no share option outstanding as at 31 March 2018.

## 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 2018 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 2018, other than the Directors or chief executive of the Company, whose interests are set out hereinabove, so far as is known to the Directors and the chief executives of the Company, the 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 were as follows:

### Long positions in shares and underlying shares of the company

Name of shareholders	Capacity in which interest are held	Number of issued ordinary shares held	Approximate percentage of shareholdings
Nieumarkt Investments Ltd ( <i>Note</i> )	Beneficial Owner	991,689,459	64.66%

*Note:* The entire issued share capital of Nieumarkt Investment Ltd is owned by Mr. Ng, the Chairman of the Company.

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

During the nine months ended 31 March 2018, 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. Ma Ka Ki. Ms. Wong Lai Na is the chairman of the audit committee. The Group's unaudited condensed consolidated results for the nine months ended 31 March 2018 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  
**Ng Kwok Wing Michael**  
*Chairman*

Hong Kong, 15 May 2018

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

### **Executive Directors**

Ng Kwok Wing Michael  
Suen Yick Lun Philip

### **Independent Non-executive Directors**

Ms. Wong Lai Na  
Mr. Tse Yuen Ming  
Mr. Ma Ka Ki

*This report will remain on the website of GEM at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days and on the website of the Company at [www.ciholdings.com.hk](http://www.ciholdings.com.hk).*