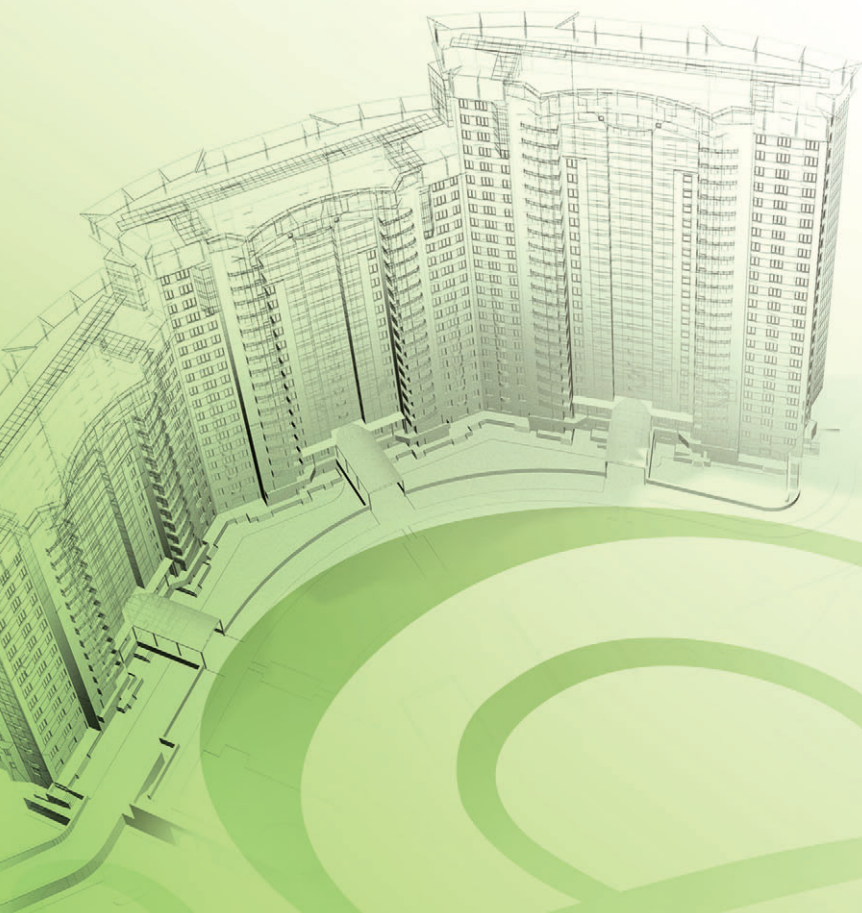




Century Legend (Holdings) Limited
世紀建業(集團)有限公司*

Stock Code : 00079



2014
Interim Report

** For identification purposes only*

SECTION A: CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. TSANG Chiu Mo Samuel

(Executive Chairman)

Mr. TSANG Chiu Ching *(Deputy Chairman)*

Ms. TSANG Chiu Yuen Sylvia

Ms. CHU Ming Tak Evans Tania

Independent Non-executive Directors

Mr. HUI Yan Kit

Mr. WONG Tak Ming Gary

Mr. AU Chi Wai Edward

AUDIT COMMITTEE

Mr. WONG Tak Ming Gary *(Chairman)*

Mr. HUI Yan Kit

Mr. AU Chi Wai Edward

REMUNERATION COMMITTEE

Mr. HUI Yan Kit *(Chairman)*

Mr. AU Chi Wai Edward

Ms. CHU Ming Tak Evans Tania

NOMINATION COMMITTEE

Mr. AU Chi Wai Edward *(Chairman)*

Mr. WONG Tak Ming Gary

Ms. CHU Ming Tak Evans Tania

COMPANY SECRETARY

Ms. SZE Tak On

LEGAL ADVISERS

Tso Au Yim & Yeung Solicitors

AUDITORS

BDO Limited

BANKERS

The Bank of East Asia, Limited

Hang Seng Bank Limited

Wing Hang Bank Limited

China Construction Bank (Asia) Corporation
Limited

SHARE REGISTRARS

Principal Share Registrars

MUFG Fund Services (Bermuda) Limited

26 Burnaby Street

Hamilton, HM 11

Bermuda

Hong Kong Branch Share Registrars and Transfer Office

Boardroom Share Registrars (HK) Limited

31st Floor, 148 Electric Road

North Point

Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street

Hamilton, HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 906, 9th Floor, AXA Centre

151 Gloucester Road

Wanchai

Hong Kong

COMPANY WEBSITE

<http://www.clh.com.hk>

STOCK CODE

00079

SECTION B: INTERIM RESULTS

The board of directors (the “Board”) of Century Legend (Holdings) Limited (the “Company”) is hereby to present the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2014. The unaudited consolidated results have been reviewed by the Audit Committee of the Company.

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Notes	Six months ended 30 June	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue		15,841	15,429
Cost of sales		<u>(4,492)</u>	<u>(4,263)</u>
Gross profit		11,349	11,166
Other income		3,321	824
Fair value loss on financial assets at fair value through profit or loss		(48)	(634)
Administrative expenses		(20,337)	(12,858)
Finance costs		(2,371)	(562)
Fair value gain on investment properties		3,800	13,600
(Loss)/Profit before income tax	3	(4,286)	11,536
Income tax expense	4	(216)	(564)
(Loss)/Profit for the period		(4,502)	10,972
Other comprehensive income			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Revaluation of available-for-sale financial assets		(1,449)	(2,199)
Other comprehensive income for the period		(1,449)	(2,199)
Total comprehensive income for the period		(5,951)	8,773

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2014

	Notes	Six months ended 30 June	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
(Loss)/Profit for the period attributable to:			
Owners of the Company		(4,839)	10,607
Non-controlling interests		<u>337</u>	<u>365</u>
		<u>(4,502)</u>	<u>10,972</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		(6,288)	8,408
Non-controlling interests		<u>337</u>	<u>365</u>
		<u>(5,951)</u>	<u>8,773</u>
(Loss)/Earnings per share attributable to the owners of the Company			
	6	HK(1.59)	HK3.56
– Basic		<u>cents</u>	<u>cents</u>
– Diluted		<u>N/A</u>	<u>HK3.10</u> <u>cents</u>

The notes on pages 8 to 17 form part of this interim financial report.

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

		As at 30 June 2014 (Unaudited) HK\$'000	As at 31 December 2013 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,653	4,166
Investment properties	8	283,500	279,700
Prepaid land lease payments	9	3,884	3,946
Available-for-sale financial assets	10	19,090	20,540
Loan receivables	11	20,497	590
		<u>330,624</u>	<u>308,942</u>
CURRENT ASSETS			
Inventories		72	73
Prepaid land lease payments	9	123	123
Financial assets at fair value through profit or loss		4,936	5,013
Trade and other receivables and prepayments	12	13,626	13,694
Loan receivables	11	22,197	44,197
Trust bank balances held on behalf of customers		17,630	2,402
Pledged bank deposits		117,443	121,131
Cash and bank balances	13	147,310	126,825
		<u>323,337</u>	<u>313,458</u>
CURRENT LIABILITIES			
Trade payables	14	17,978	3,781
Other payables and accruals		5,681	11,252
Obligations under finance leases		121	121
Bank borrowings (secured)		250,545	222,365
		<u>274,325</u>	<u>237,519</u>
NET CURRENT ASSETS		<u>49,012</u>	<u>75,939</u>

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2014

	<i>Notes</i>	As at 30 June 2014 (Unaudited) HK\$'000	As at 31 December 2013 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		379,636	384,881
NON-CURRENT LIABILITIES			
Obligation under finance leases		151	211
Deferred tax liabilities		2,965	2,749
		3,116	2,960
NET ASSETS		376,520	381,921
EQUITY			
Share capital	15	60,722	60,722
Reserves		312,957	318,695
Equity attributable to the owners of the Company		373,679	379,417
Non-controlling interests		2,841	2,504
TOTAL EQUITY		376,520	381,921

The notes on pages 8 to 17 form part of this interim financial report.

III. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014 (Unaudited)

	Equity attributable to the Owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Available-for-sale financial assets revaluation reserve HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-Controlling interests HK\$'000	Total HK\$'000
At 1 January 2014	60,722	149,619	146,189	6,549	2,945	13,393	379,417	2,504	381,921
Share option granted	-	-	-	-	550	-	550	-	550
Transaction with owners	-	-	-	-	550	-	550	-	550
Loss for the period	-	-	-	-	-	(4,839)	(4,839)	337	(4,502)
Other comprehensive income									
Revaluation of available-for-sale financial assets	-	-	-	(1,449)	-	-	(1,449)	-	(1,449)
Total comprehensive income for the period	-	-	-	(1,449)	-	(4,839)	(6,288)	337	(5,951)
At 30 June 2014	60,722	149,619	146,189	5,100	3,495	8,554	373,679	2,841	376,520

For the six months ended 30 June 2013 (Unaudited)

	Equity attributable to the Owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Available-for-sale financial assets revaluation reserve HK\$'000	Share option reserve HK\$'000	(Accumulated losses)/ Retained profits HK\$'000	Total HK\$'000	Non-Controlling interests HK\$'000	Total HK\$'000
At 1 January 2013	59,534	147,930	146,189	6,410	3,921	(3,005)	360,979	1,964	362,943
Profit for the period	-	-	-	-	-	10,607	10,607	365	10,972
Other comprehensive income									
Revaluation of available-for-sale financial assets	-	-	-	(2,199)	-	-	(2,199)	-	(2,199)
Total comprehensive income for the period	-	-	-	(2,199)	-	10,607	8,408	365	8,773
At 30 June 2013	59,534	147,930	146,189	4,211	3,921	7,602	369,387	2,329	371,716

The notes on pages 8 to 17 form part of this interim financial report.

IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Net cash used in operating activities	(12,246)	(6,572)
Net cash generated from/(used in) investing activities	9,029	(56,010)
Net cash generated from/(used in) financing activities	25,750	(3,026)
Net increase/(decrease) in cash and cash equivalents	22,533	(65,608)
Cash and cash equivalents at 1 January	46,146	86,730
Cash and cash equivalents at 30 June	68,679	21,122
Analysis of the balances of cash and cash equivalents		
Cash and bank balances as stated in condensed consolidated statement of financial position	147,310	76,783
Less: short term deposits with maturity beyond three months but within one year	(78,631)	(55,661)
Cash and cash equivalents at 30 June	68,679	21,122

The notes on pages 8 to 17 form part of this interim financial report.

V. NOTES TO THE INTERIM FINANCIAL REPORT

For the six months ended 30 June 2014

1. Basis of preparation and principal accounting policies

(a) *Basis of preparation*

This unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2013.

(b) *Principal accounting policies*

The unaudited condensed consolidated financial statements for the six months ended 30 June 2014 have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2013, except as described below.

(c) *Adoption of new or revised standards*

In the current interim period, the Group has applied, for the first time, all of the new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated interim financial statements:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets

The application of the above new or revised HKFRSs has had no material effect on the Group’s financial statements.

(d) *New or revised standards that are not yet effective and have not been early adopted by the Group*

The new standards and amendments to standards, potentially relevant to the Group’s financial statements, have been issued, but not yet effective for the financial year beginning on 1 January 2014 and have not been early adopted by the Group. The Group is in the process of making an assessment of the potential impact of these new or revised standards.

2. Segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors, the chief operating decision-makers, are determined following the Group's major product and service lines. The Group is currently organised into the following four operating segments.

Property investments	–	Investing in commercial and residential properties for its rental income potential and for capital appreciation in both Macau and Hong Kong
Health and beauty services	–	Provision of health and beauty services in Hong Kong
Stock broking	–	Provision of stock broking services in Hong Kong
Money lending	–	Provision of commercial and personal loans in Hong Kong

Segment revenues and results

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

	Segment revenue		Segment (loss)/profit	
	Six months ended 30 June			
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Property Investments	5,430	5,354	(1,559)	12,874
Health and beauty services	7,883	7,311	834	925
Stock broking	1,633	1,880	212	437
Money lending	895	884	636	655
	<u>15,841</u>	<u>15,429</u>	<u>123</u>	<u>14,891</u>
Unallocated other income			1,172	664
Fair value loss on financial assets at fair value through profit or loss			(48)	(634)
Corporate staff costs			(1,772)	(1,774)
Other corporate and unallocated expenses			<u>(3,761)</u>	<u>(1,611)</u>
(Loss)/Profit before income tax			<u>(4,286)</u>	<u>11,536</u>

Revenue reported above represented revenue generated from external customers.

Segment (loss)/profit represents the (loss)/profit incurred/earned by each segment without allocation of central administration costs, other income, fair value loss on financial assets at fair value through profit or loss and corporate staff costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

2. Segment information (continued)

Segment assets and liabilities

	As at 30 June 2014 (Unaudited) HK\$'000	As at 31 December 2013 (Audited) HK\$'000
Segment assets		
Property investments	339,759	296,562
Health and beauty services	2,220	2,327
Stock broking	36,442	23,980
Money lending	43,083	45,097
	<u>421,504</u>	<u>367,966</u>
Total segment assets	421,504	367,966
Available-for-sale financial assets	19,090	20,540
Financial assets at fair value through profit or loss	4,936	5,013
Pledged bank deposits	117,443	121,131
Short-term bank deposits	41,380	49,435
Other corporate and unallocated assets	49,608	58,315
	<u>653,961</u>	<u>622,400</u>
Consolidated total assets	653,961	622,400
Segment liabilities		
Property investments	45,723	62,475
Health and beauty services	1,140	1,258
Stock broking	17,982	3,942
Money lending	44	88
	<u>64,889</u>	<u>67,763</u>
Total segment liabilities	64,889	67,763
Deferred tax liabilities	2,965	2,749
Bank borrowings	208,990	169,000
Other corporate and unallocated liabilities	597	967
	<u>277,441</u>	<u>240,479</u>
Consolidated total liabilities	277,441	240,479

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than available-for-sale financial assets, financial assets at fair value through profit or loss, certain short-term bank deposits and pledged bank deposits which are managed on group basis and corporate assets; and
- all liabilities are allocated to reportable segments other than deferred tax liabilities, certain bank borrowings which are managed on group basis and corporate liabilities.

2. Segment information (continued)

Other segment information

	Interest income		Fair value gain on investment properties				Addition to specified non-current assets		Depreciation and amortisation	
					Finance costs					
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property investments	2,134	148	3,800	13,600	2,371	562	-	6	300	333
Health and beauty services	-	-	-	-	-	-	-	205	64	74
Stock broking	289	422	-	-	-	-	6	49	25	25
Money lending	896	884	-	-	-	-	-	-	-	-
	<u>3,319</u>	<u>1,454</u>	<u>3,800</u>	<u>13,600</u>	<u>2,371</u>	<u>562</u>	<u>6</u>	<u>260</u>	<u>389</u>	<u>432</u>
Unallocated	1,016	469	-	-	-	-	1	1,105	193	153
Total	<u>4,335</u>	<u>1,923</u>	<u>3,800</u>	<u>13,600</u>	<u>2,371</u>	<u>562</u>	<u>7</u>	<u>1,365</u>	<u>582</u>	<u>585</u>

Geographical information

The geographical location of the specified non-current assets (i.e. non-current assets excluding financial assets) is based on the physical location of the asset. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

The following is an analysis of the carrying amount of specified non-current assets and revenue from external customers, analysed by the geographical location.

	Specified non-current assets		Revenue from external customers	
	As at 30 June 2014	As at 31 December 2013	Six months ended 30 June	
	(Unaudited)	(Audited)	2014	2013
	HK\$'000	HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Hong Kong (domicile)	229,739	228,137	14,599	14,187
Macau	61,298	59,675	1,242	1,242
	<u>291,037</u>	<u>287,812</u>	<u>15,841</u>	<u>15,429</u>

3. (Loss)/Profit before income tax

(Loss)/Profit before income tax is arrived at after charging the following:

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(a) Finance costs		
Interest on borrowings	2,364	555
Other finance costs	7	7
	<u>2,371</u>	<u>562</u>
Total finance costs recognized in profit or loss		
(b) Other items		
Fair value loss on financial assets at fair value through profit or loss	48	634
Depreciation and amortisation	582	585
	<u>582</u>	<u>585</u>

4. Income tax expense

No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profit for the six months ended 30 June 2014 and 2013.

The Group has available tax losses as at 31 December 2013 for offsetting against future profits. No deferred tax assets have been recognised as the directors consider that it is uncertain that they will crystallize in the foreseeable future.

Pursuant to the tax rules and regulations of Macau, the subsidiaries in Macau are liable to Macau Profits Tax at the rate of 12% for the six months ended 30 June 2014 and 2013.

5. Dividends

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

6. (Loss)/Earnings per share attributable to the owners of the Company

The calculation of basic (loss)/earnings per share attributable to the owners of the Company for the period is based on the loss attributable to the Company's owner of HK\$4,839,000 (six months ended 30 June 2013: profit of HK\$10,607,000) and the weighted average of 303,609,597 (six months ended 30 June 2013: 297,669,597) shares in issue during the six-month period.

For the six months ended 30 June 2014, diluted loss per share amount was not presented because the impact of the exercise of the share options was anti-dilutive.

For the six months ended 30 June 2013, the calculation of diluted earnings per share is based on the profit attributable to the equity shareholders of HK\$10,607,000 and the weighted average number of 342,212,354 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

7. Property, plant and equipment

(a) Acquisitions of property, plant and equipment

During the six months ended 30 June 2014, the Group acquired items of property, plant and machinery with a cost of HK\$7,000 (six months ended 30 June 2013: HK\$1,365,000).

(b) Write-off of property, plant and equipment

There is no property, plant and equipment being written off during the six months ended 30 June 2014 (six months ended 30 June 2013: HK\$15,000).

8. Investment properties

There is no acquisition of investment property for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil). The valuation techniques are the same as those used in carrying out the valuation on investment properties of the Group as at 31 December 2013.

9. Prepaid land lease payments

There is no acquisition of prepaid land lease payment for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

10. Available-for-sale financial assets

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Listed equity investments in Hong Kong, at fair value	<u>19,090</u>	<u>20,540</u>

11. Loan receivables

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Gross loan receivables – unsecured (<i>Note</i>)	43,394	45,487
– secured (<i>Note</i>)	1,000	1,000
Less: Provision for impairment	<u>(1,700)</u>	<u>(1,700)</u>
Net carrying amounts	42,694	44,787
Less: Amounts due within one year	<u>(22,197)</u>	<u>(44,197)</u>
Amounts due after one year	<u>20,497</u>	<u>590</u>

11. Loan receivables (continued)*Note:*

The repayment terms of loan receivables are negotiated on an individual basis. The maturity profile of loan receivables, which is analysed by the remaining periods to their contractual maturity dates, is as follows:

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
On demand	10,005	–
Three months or less	1,058	22,051
Over three months but below one year	11,134	22,146
In one to two years	200	190
Over two years	20,297	400
	<u>42,694</u>	<u>44,787</u>

12. Trade and other receivables and prepayments

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Trade receivables (Note)	7,728	9,753
Less: provision for impairment	<u>(281)</u>	<u>(281)</u>
Trade receivables, net	7,447	9,472
Other receivables and deposits	<u>6,179</u>	<u>4,222</u>
	<u>13,626</u>	<u>13,694</u>

Note:

The Group's trade receivables as at 30 June 2014 mainly represented the receivable balances in respect of the Group's stock broking business. The Group allows a credit period up to the settlement dates of their respective transactions (normally two business days after the respective trade dates) except for margin client receivables which are repayable on demand.

12. Trade and other receivables and prepayments (continued)

The majority of the Group's revenue is on cash basis. The remaining balances of revenue are on credit terms of thirty-sixty days. At 30 June 2014, the ageing analysis of the trade receivables, net of provision for impairment, is as follows:

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Repayable on demand – margin receivables	4,620	3,885
0-30 days	2,387	4,914
31-60 days	76	220
61-90 days	181	129
Over 90 days	183	324
	<u>7,447</u>	<u>9,472</u>

13. Cash and bank balances

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Cash at banks and in hand	68,679	22,033
Short-term bank deposits	78,631	104,792
	<u>147,310</u>	<u>126,825</u>

14. Trade Payables

As at 30 June 2014, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Repayable on demand		
– Trust bank balances for funds placed by customers	17,467	2,235
0-30 days	466	1,481
31-60 days	45	65
	<u>17,978</u>	<u>3,781</u>

15. Share capital

	Number of shares 30 June 2014 (Unaudited) And 31 December 2013 (Audited) '000	Share Capital 30 June 2014 (Unaudited) And 31 December 2013 (Audited) HK\$'000
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Authorised:

Ordinary shares of HK\$0.2 each	2,000,000	400,000
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Issued and fully paid:

Ordinary shares of HK\$0.2 each	303,610	60,722
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16. Operating lease commitments

At 30 June 2014, the total future aggregate minimum lease payments under non-cancellable operating leases falling due as follows:

	Buildings		Motor vehicles	
	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Within one year	3,414	3,414	303	-
In the second to fifth years (inclusive)	2,307	4,014	-	-
	<u>5,721</u>	<u>7,428</u>	<u>303</u>	<u>-</u>

The Group leases certain of its office premises and motor vehicles under operating leases. The leases run for an initial period of one to three years, with options to renew the lease terms at the expiry dates or at dates as mutually agreed between the Group and the respective landlords/lessors. None of the leases include contingent rentals.

17. Related party transactions

In addition to the transactions and balances disclosed elsewhere in the interim financial report, the Group had the following significant transactions with related parties:

Compensation of key management personnel

Included in staff costs are key management personnel compensation and comprises the following categories:

	30 June 2014 (Unaudited) HK\$'000	30 June 2013 (Unaudited) HK\$'000
Short term employee benefits	5,578	5,201
Post-employment benefits	114	113
	<u>5,692</u>	<u>5,314</u>

18. Fair value measurements

The following table presents financial assets measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Group			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	

As 30 June 2014

Financial assets at fair value				
through profit or loss	4,936	-	-	4,936
Available-for-sale financial assets	19,090	-	-	19,090
Net fair values	24,026	-	-	24,026

	Group			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	

As 31 December 2013

Financial assets at fair value				
through profit or loss	5,013	-	-	5,013
Available-for-sale financial assets	20,540	-	-	20,540
Net fair values	25,553	-	-	25,553

There have been no transfers between level 1 and level 2 in the reporting period.

SECTION C: BUSINESS REVIEW AND PROSPECTS

I. OVERALL PERFORMANCE

The unstable global recovery and slow down of the Chinese economy have attributed to Hong Kong's GDP slipped to 2.5% in the first quarter of 2014, down from 2.9% in the fourth quarter of 2013. Retail sales growth has also slowed with the recent drop in Mainland Chinese visitors and the anti-gifting measures advocated by the Mainland government, leading to expectations that the local economy will expand at a slower annual pace than the above 3% growth forecast in early 2014.

For the six months ended 30 June 2014, the Group recorded a turnover of HK\$15,841,000, representing a 2.7% increase from the corresponding period of last year (1H2013: HK\$15,429,000). Gross profit for the period under review was HK\$11,349,000, representing a 1.6% increase from the corresponding period of last year (1H2013: HK\$11,166,000).

The Group incurred a net loss of HK\$4,502,000 compared to a net profit of HK\$10,972,000 from the corresponding period of last year. The plunge in net results was mainly attributed to the immense drop in fair value gain on investment properties of HK\$9,800,000 in addition to an unrealized exchange loss of HK\$5,349,000 derived from bank deposits denominated in RMB as at 30 June 2014. Before the fair value gain on investment properties and its related income tax expenses plus unrealized exchange loss, the Group incurred loss of HK\$2,737,000 verses HK\$2,064,000 the same period last year.

II. PROPERTY INVESTMENT BUSINESS

In the second quarter of 2014, property investment volume rose to its highest level since the fourth quarter of 2012, several months before the Double Stamp Duty was introduced. A concession introduced in May allowing end users with more flexibility has helped stimulate the market and release pent-up demand especially in the residential sector. Amid stable conditions of high liquidity and low interest rates, and the recent wake of activity, non-residential capital values edged slightly upward in the second quarter of 2014 as manifested that all of our fair value gain on investment properties came from commercial properties. During the reviewing period, the Group made no purchase or sale of investment properties. Nonetheless with improved market sentiment, the Group is as keen as ever to identify opportunities and execute its short and long term strategies and consider shifting focus to properties in emerging and non-core areas with more attractive upside potential.

During the first half of 2014, our properties portfolio in Macau and Hong Kong contributed desirable rental income of HK\$5,430,000 (1H2013: HK\$5,354,000) to the Group while fair value of our investment properties increased HK\$3,800,000, with the fair value gain down by 72% from the same period last year. These properties comprised of retail, office and residential units are anticipated to provide steady but slower capital appreciation in the remaining year and remain to serve as a stable income base to the Group.

III. HEALTH AND BEAUTY BUSINESS

Health and beauty business continues to be a stable contributor to the revenue of the Group. For the first half of 2014, the Health and Beauty business segment reported a turnover of HK\$7,883,000 representing a 7.8% increase compared to the corresponding period last year. However segment net profit for the period was cut by 9.8% from the same period last year to HK\$834,000.

Substantial increase in rental expense after renewal of tenancy in May 2013 is major cause for the diminished segment net profit while cost inflation is another factor. To keep our competitive edge, management team will strive to keep cost low by implementing very stringent cost controls while at the same time improve income stream by recruiting new talents and exploring new service and marketing strategies.

During the period under review, the Group is pleased to announce that in addition to caring company award and ERB Manpower Developer – SME Award, our premium hair salon “Headquarters” was awarded for the first time with “The Hong Kong Corporate Citizenship Logo” by the Hong Kong Productivity Council in recognition of our devotion to community services, caring for our employees and commitment to environmental protection.

IV. OTHER BUSINESS SEGMENTS

During the first half of 2014, the stock brokerage business segment recorded a turnover and segment profit of HK\$1,633,000 and HK\$212,000, which had decreased 13.1% and 51.5% respectively over the same period last year. Transaction volume had shrunk substantially for the reviewing period in the presence of a volatile equity market as the Hang Sang Index dropped twice by more than 9% its highest level from beginning of January in early February and mid March. As a small sized stock brokerage company, we faced increasing challenge to profit from high fixed operation costs against a shrinking turnover as transaction volume contracted. To mitigate the inherent market risk and credit risk in the business, the management will continue to monitor strict credit control and look out for opportunities that could arise with the imminent launch of the “Through Train” scheme which is expected to increase Mainland Chinese equity investments in Hong Kong and demand for local brokerage services.

Money lending business contributed a turnover of HK\$895,000 during the first six months of 2014, slightly increased 1.2% compared to the same period last year. The segment recorded a profit of HK\$636,000, compared to a profit of HK\$655,000 same period last year. This increased our return on surplus cash in the low interest environment.

V. PROSPECTS

Looking ahead, the economic environments of both Hong Kong and Macau are still full of uncertainties in the second half of 2014 and they, as highly external-oriented economies, will inevitably be affected by external economic factors. In the wake of continuous improvements in the economy of the United States, the U.S. Government has gradually decreased the amount of bond purchase. It is expected that the market will face pressure for interest increment and rate hike cycle may start sooner than expected. In Europe, the overall economy continues its sluggish recovery, and the recent conflicts in Ukraine have heightened the tension between Russia and the western countries in Europe and America. Such geopolitical clashes will intensify the instability in the European regions, which will slow down the pace of their economic recovery.

Hong Kong and Macau also have their own issues. In Hong Kong, the disputes over various issues have led to widely different political stands in society. The hot topics such as electing the Chief Executive of Hong Kong by universal suffrage in 2017, the integration between Hong Kong and Mainland China, and the necessity to modify the Individual Visit Scheme keep evolving into heated debates, resulting in internal dissension and friction in the Hong Kong society. To make matters worse, it seems that such conditions are deteriorating, which will weaken the competitive edges of Hong Kong and drag down its economic development. In Macau, under the strict anti-corruption measures implemented in China, the growth in gaming revenue has started to slow down. As the most important and principal industry of Macau, the gaming industry has across-the-board influence on different sectors of Macau's economy. If such deceleration persists, the economic growth in Macau will certainly be dampened.

The above uncertainties will have impacts on the economic development of both Hong Kong and Macau. Despite a somewhat dim prospect, we remain optimistic about the performance of all of the business segments of the Group in the second half of the year. In respect of the property investment business, leases of the properties in Macau held by the Group will expire successively in the second half of the year, and the Group is making progress in letting out and renewal of leases. The rentals from new leases are expected to record an increase to a certain extent, which will improve the overall rental income of the Group as well as contributing stable income to the Group in the long run. In addition to enhancing the value of the Group's existing properties, we will actively seek opportunities and capitalize on the healthy financial condition of the Group by identifying quality properties with a view to optimizing the Group's profile of investment properties.

The Group's securities agency business may not perform as well as anticipated in 2014 due to the intense market competition and unforeseeable staff turnover issues. However, we will make every effort in adjusting the business strategies to minimize such discrepancy. For other businesses, we will implement the plans with the budgets made in the beginning of the year. We are confident that the goals then set for all the other business segments of the Group will be achieved by the end of the year, except for the aforementioned securities agency business.

SECTION D: FINANCIAL REVIEW

I. LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2014, the Group had a cash and bank balance including pledged bank deposits of HK\$264,753,000 and net current assets of HK\$49,012,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2014 was approximately 1.18 (31 December 2013: 1.32). The Group maintained a strong working capital position during the reviewing period.

The sales and purchase of the Group are mainly denominated in Hong Kong dollars. The Directors consider that the Group's exposure to fluctuations in exchange rates was minimal.

During the period under review, the Group's certain investment properties and certain bank deposits were pledged to banks to secure the bank borrowing of approximately HK\$250,545,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. Neither the Company nor the Group had any significant contingent liabilities as at 30 June 2014 (31 December 2013: Nil). The Group had no significant capital commitments as at 30 June 2014 (31 December 2013: Nil).

II. CAPITAL STRUCTURE OF THE GROUP

During the period under review, the Group had total equity HK\$376,520,000, HK\$272,000 fixed rate liability, HK\$250,545,000 floating rate liability and HK\$26,624,000 interest-free liabilities, representing 0.07%, 66.5% and 7.1% of the Group's total equity respectively. The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 30 June 2014 was approximately 0.04% (31 December 2013: 0.06%).

III. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2014.

SECTION E: EMPLOYEE AND REMUNERATION POLICY

For the period ended, the Group employed approximately a total of 40 employees (30 June 2013: 40) with staff costs excluding directors' emoluments amounted to HK\$4,289,000 (30 June 2013: HK\$4,222,000).

The Group's emoluments policies are formulated on the performance of individuals and are competitive to the market. Employee remuneration is reviewed and determined by management annually based on both employees' individual and Group's overall performance.

SECTION F: CORPORATE GOVERNANCE

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

As at 30 June 2014, the interests and short positions of each of the Directors and Chief Executives of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules") were as follows:

(i) *Interests in shares and underlying shares of the Company*

Long position in shares

Name of Director	Nature of interest	Name of company in which ordinary shares/securities are held	Number of ordinary shares/securities held	Approximate percentage of total shareholding
Mr. TSANG Chiu Ching	Beneficial interest	The Company	749,250	0.25%
	Interest of controlled corporate	The Company	40,794,195 (Note 1 and 3)	13.44%
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	29.08%
Mr. TSANG Chiu Mo Samuel	Interest of controlled corporate	The Company	40,794,195 (Note 1 & 3)	13.44%
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	29.08%
Ms. TSANG Chiu Yuen Sylvia	Beneficial interest	The Company	4,472,000	1.47%
	Interest of controlled corporate	The Company	40,794,195 (Note 1 & 3)	13.44%
	Interest of controlled corporate	The Company	88,275,577 (Note 2 & 3)	29.08%

Notes:

1. These shares were beneficially owned by Barsmark Investments Limited.
2. These shares were beneficially owned by ST (79) Investment Limited.
3. The issued share capital of Barsmark Investments Limited and ST (79) Investment Limited are both wholly and beneficially owned by ST Investments Holding Limited ("ST Investments"), the issued share capital of which is beneficially owned to one-third by each of Fortune Ocean Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Ching), Conba Investments Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Mo Samuel) and Ssky Investments Limited (a company wholly and beneficially owned by Ms. TSANG Chiu Yuen Sylvia). Mr. TSANG Chiu Ching, Mr. TSANG Chiu Mo Samuel and Ms. TSANG Chiu Yuen Sylvia are directors of Barsmark Investments Limited, ST (79) Investment Limited and ST Investments. Mr. TSANG Chiu Ching is a director of Fortune Ocean Limited. Mr. TSANG Chiu Mo Samuel is a director of Conba Investments Limited. Ms. TSANG Chiu Yuen Sylvia is a director of Ssky Investments Limited.

Save as disclosed above, none of the Directors and Chief Executives (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have 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 are 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 referred to therein, or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) Interests in the Share options of the Company

Name of Director/ chief executive	Date of grant of share options	Exercisable period	Exercise price per Share HK\$	Number of options outstanding	Approximate percentage of shareholding in the Company
Ms. Chu Ming Tak Evans Tania	22 May 2009	22 May 2009 to 21 May 2019	0.31	8,930,087	2.94%
Ms. Sze Tak On	22 May 2009	22 May 2009 to 21 May 2019	0.31	7,441,739	2.45%
Ms. Tsang Chiu Yuen Sylvia	23 April 2014	23 April 2014 to 22 April 2024	0.451	3,032,000	1.00%

II. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 June 2014, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Long position in shares

Name of shareholder	Nature of interest	Number of shares held	Approximate Percentage of total shareholding
Barsmark Investments Limited (Note 1)	Beneficial interest	40,794,195	13.44%
ST (79) Investment Limited (Note 1)	Beneficial interest	88,275,577	29.08%
ST Investments Holding Limited (Note 1)	Interest of controlled corporation	129,069,772 (Note 2)	42.52%
Conba Investments Ltd. (Note 1)	Interest of controlled corporation	129,069,772 (Note 2)	42.52%
Ssky Investments Limited (Note 1)	Interest of controlled corporation	129,069,772 (Note 2)	42.52%
Fortune Ocean Limited (Note 1)	Interest of controlled corporation	129,069,772 (Note 2)	42.52%
Szeto Investments Holdings (Amusement) Limited (Note 3)	Beneficial interest	29,531,250	9.73%
Szeto Investments Holdings Ltd. (Note 3)	Interest of controlled corporation	29,531,250	9.73%
Szeto International Holdings Ltd. (Note 3)	Interest of controlled corporation	29,531,250	9.73%
Ms. SZETO Yuk Lin (Note 3)	Interest of controlled corporation	29,531,250	9.73%

Note:

1. Barsmark Investments Limited and ST (79) Investment Limited are both wholly and beneficially owned by ST Investments Holding Limited, the issued share capital of which is beneficially owned as to one-third by each of (i) Conba Investments Ltd. (a company wholly and beneficially owned by Mr. TSANG Chiu Mo Samuel); (ii) Fortune Ocean Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Ching); and (iii) Ssky Investments Limited (a company wholly and beneficially owned by Ms. TSANG Chiu Yuen Sylvia).
2. These shares represent the aggregate number of shares beneficially owned by Barsmark Investments Limited and ST (79) Investment Limited.
3. Szeto Investments Holdings (Amusement) Limited is wholly-owned by Szeto Investments Holdings Ltd., the issued share capital of which is wholly-owned by Szeto International Holdings Ltd. Ms. SZETO Yuk Lin is wholly and beneficially interested in the entire issued share capital of Szeto International Holdings Ltd.

Save as disclosed above, no other person other than the Directors or Chief Executives of the Company had interests or short positions in the Shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

III. PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

IV. COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

The Company has complied with the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules (the "Code") during the period under review, save for the deviations set out below.

Code A.2.1

As at 30 June 2014, Mr. TSANG Chiu Mo Samuel is the Executive Chairman of the Company and no Chief Executive Officer has been appointed. The responsibilities of Chief Executive Officer have been carried out by Mr. TSANG Chiu Mo Samuel. The Board believes that it is in the best interest of the Company and the shareholders as a whole for Mr. TSANG Chiu Mo Samuel, who is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board in an effective manner, to continue to carry out the responsibilities of Chief Executive Officer, which ensures on the effectiveness and efficiency of the decision making process of the Board.

V. AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the six months ended 30 June 2014 with the directors.

VI. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2014.

By Order of the Board
CHU MING TAK EVANS TANIA
Executive Director

Hong Kong, 22 August 2014