

Legend Strategy International Holdings Group Company Limited

栢濬國際集團控股有限公司

(a company incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 1355

LegendStrategy 栢濬國際

INTERIM REPORT 2016 中期報告

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Corporate Information

DIRECTORS

Executive Directors

Mr. Huang Yun
Mr. Dai Lifeng (*Appointed on 12 April 2016*)

Non-executive Director

Mr. Law Fei Shing (*Re-designated on 12 April 2016*)

Independent Non-executive Directors

Mr. Tso Hon Sai Bosco
Mr. Leung Siu Hong
Mr. Chung Wai Man

COMPANY SECRETARY

Mr. Mui Chi Hung

AUTHORISED REPRESENTATIVES

Mr. Huang Yun
Mr. Mui Chi Hung

AUDIT COMMITTEE

Mr. Leung Siu Hong (*Chairman*)
Mr. Tso Hon Sai Bosco
Mr. Chung Wai Man

NOMINATION COMMITTEE

Mr. Tso Hon Sai Bosco (*Chairman*)
Mr. Leung Siu Hong
Mr. Chung Wai Man

REMUNERATION COMMITTEE

Mr. Chung Wai Man (*Chairman*)
Mr. Leung Siu Hong
Mr. Tso Hon Sai Bosco

公司資料

董事

執行董事

黃雲先生
戴立峰先生 (*於二零一六年四月十二日獲委任*)

非執行董事

羅輝城先生 (*於二零一六年四月十二日調任*)

獨立非執行董事

曹漢璽先生
梁兆康先生
鍾偉文先生

公司秘書

梅志雄先生

授權代表

黃雲先生
梅志雄先生

審核委員會

梁兆康先生 (*主席*)
曹漢璽先生
鍾偉文先生

提名委員會

曹漢璽先生 (*主席*)
梁兆康先生
鍾偉文先生

薪酬委員會

鍾偉文先生 (*主席*)
梁兆康先生
曹漢璽先生

PRINCIPAL BANKERS

The People's Republic of China

Industrial and Commercial Bank of China

Hong Kong

Hang Seng Bank Limited
Bank of China (Hong Kong) Limited

AUDITORS

ZHONGHUI ANDA CPA Limited

LEGAL ADVISERS

YTL & Co.

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3006-10, 30/F.
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

主要往來銀行

中華人民共和國

中國工商銀行

香港

恒生銀行有限公司
中國銀行(香港)有限公司

核數師

中匯安達會計師事務所有限公司

法律顧問

梁延達律師事務所

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

總部及香港主要營業地點

香港
灣仔
港灣道26號
華潤大廈
30樓3006-10室

開曼群島主要股份過戶登記處

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

COMPANY'S WEBSITE

www.legend-strategy.com
www.welcomeinn.com.cn

STOCK CODE

1355

香港股份過戶登記分處

聯合證券登記有限公司
香港
北角
英皇道338號
華懋交易廣場2期
33樓3301-04室

公司網站

www.legend-strategy.com
www.welcomeinn.com.cn

股份代號

1355

Independent Review Report

獨立審閱報告



TO THE BOARD OF DIRECTORS OF LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

致勸濟國際集團控股有限公司董事會

(於開曼群島註冊成立之有限公司)

INTRODUCTION

We have reviewed the interim financial information set out on pages 7 to 21 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

緒言

我們已審閱載於第7至21頁之中期財務資料，當中包括貴公司於二零一六年六月三十日之簡明綜合財務狀況表以及截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及主要會計政策概要及其他解釋附註。香港聯合交易所有限公司證券上市規則規定編製中期財務資料須遵守其中有關條文及香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）。董事負責根據香港會計準則第34號編製及呈列本中期財務資料。我們的責任是根據我們的審閱對本中期財務資料作出意見，按照我們的協定委聘條款，僅向董事會整體報告，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔責任。

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

EMPHASIS OF MATTER

We draw attention to Note 2 to the condensed financial statements which states that the Group incurred a loss of HK\$75,342,767 for the six months ended 30 June 2016. As at 30 June 2016, the Group's net current liabilities and cash and cash equivalents balance were HK\$3,359,850 and HK\$9,571,802 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Ng Ka Lok

Practising Certificate Number P06084

Hong Kong, 26 August 2016

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師審閱中期財務資料」進行審閱。對中期財務資料的審閱包括主要對財務及會計負責人員作出查詢，並採用分析及其他審閱程序。審閱的範圍遠小於根據香港核數準則進行的審核，且因此無法使我們確保我們會知悉在審核中可能發現的所有重大事宜。因此，我們並不發表審核意見。

結論

根據我們的審閱，我們並無發現任何事項導致我們認為中期財務資料在所有重大方面並無根據香港會計準則第34號編製。

強調事項

我們注意到簡明財務報表附註2載述 貴集團於截至二零一六年六月三十日止六個月產生虧損75,342,767港元，於二零一六年六月三十日，貴集團的流動負債淨額以及現金及現金等價物結餘分別為3,359,850港元及9,571,802港元。該等狀況顯示可能存在令 貴集團能否持續經營嚴重成疑之重大不明朗因素。我們在此方面並無保留意見。

中匯安達會計師事務所有限公司

執業會計師

吳家樂

執業牌照號碼P06084

香港，二零一六年八月二十六日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2016

簡明綜合損益及其他全面收益表

截至二零一六年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
		Notes 附註	
Revenue	收益	5	11,949,401
Operating lease expenses	經營租賃開支		(10,285,277)
Depreciation of property, plant and equipment	物業、廠房及設備折舊		(4,000,836)
Employee benefit expenses	僱員福利開支		(5,859,443)
Utilities	公用設施		(924,836)
Other operating expenses	其他經營開支		(8,236,323)
Written off of prepaid operating leases	撇銷預付經營租賃		—
Provision of other receivables	其他應收款項撥備		—
Written off of property, plant and equipment	撇銷物業、 廠房及設備		—
Other income	其他收入		391,234
Operating loss	營運虧損		(16,966,080)
Finance costs	融資成本	6	(73,665)
Share of results of joint ventures	分佔合資公司業績		(1,977,800)
Loss before tax	除稅前虧損		(19,017,545)
Income tax credit	所得稅抵免	7	—

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income *(Continued)*

For the six months ended 30 June 2016

簡明綜合損益及其他全面收益表 *(續)*

截至二零一六年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
		Notes 附註	
Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損	8	(75,342,767)
Other comprehensive income:	其他全面收益：		
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益之項目：</i>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額		43,482
			130,516
Other comprehensive income for the period, net of tax	期內其他全面收益，除稅後		43,482
			130,516
Total comprehensive loss for the period attributable to owners of the Company	本公司擁有人應佔期內全面虧損總額		(75,212,251)
			(18,974,063)
Loss per share	每股虧損		
Basic and diluted (Hong Kong cents)	基本及攤薄 (港仙)	10	(6.10)
			(19.15)

Condensed Consolidated Statement of Financial Position

As at 30 June 2016

簡明綜合財務狀況表

於二零一六年六月三十日

		Notes 附註	30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	11,834,911	42,078,650
Deposits	按金	12	23,988,000	—
Rental deposits	租賃按金	12	3,806,493	3,493,002
Prepaid operating leases	預付經營租賃	12	—	8,406,356
Other receivables	其他應收款項	12	—	2,000,000
Other asset	其他資產		2,880,000	1,440,000
Deferred income tax assets	遞延所得稅資產		1,186,137	1,186,137
			43,695,541	58,604,145
Current assets	流動資產			
Trade receivables	應收賬款	13	66,031	262,600
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	12	45,635,291	19,180,638
Bank and cash balances	銀行及現金結餘		9,571,802	47,612,022
			55,273,124	67,055,260
Current liabilities	流動負債			
Convertible bonds	可換股債券	14	47,687,668	—
Trade and other payables	應付賬款及其他應付款項	15	9,501,687	12,966,339
Current income tax liabilities	當期所得稅負債		1,443,619	1,366,219
			58,632,974	14,332,558

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表 (續)

(Continued)

As at 30 June 2016

於二零一六年六月三十日

	Notes 附註	30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Net current (liabilities)/assets	流動(負債)/資產淨值	(3,359,850)	52,722,702
Total assets less current liabilities	資產總額減流動負債	40,335,691	111,326,847
Non-current liabilities	非流動負債		
Provision for asset retirement	報廢資產復原撥備	3,878,760	3,959,157
NET ASSETS	資產淨值	36,456,931	107,367,690
EQUITY	權益		
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔資本及儲備		
Share capital	股本	3,935,250	3,935,250
Reserves	儲備	32,521,681	103,432,440
TOTAL EQUITY	權益總額	36,456,931	107,367,690

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

簡明綜合權益變動表

截至二零一六年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserve	Share-based payment reserve	Other reserve	Shareholder's contributions	Accumulated losses	Total
		股本	股份溢價	資本儲備	匯兌儲備	法定儲備	以股份為基礎之付款儲備	其他儲備	股東注資	累計虧損	總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
				(Note a)							
				(附註a)							
At 1 January 2015	於二零一五年一月一日										
(Audited)	(經審核)	2,617,701	107,940,644	—	3,145,012	1,742,763	2,376,475	8,020,110	20,751,024	(12,419,013)	134,174,716
Total comprehensive loss for the period	期內全面虧損總額	—	—	—	43,482	—	—	—	—	(19,017,545)	(18,974,063)
Issue of shares upon placing	配售後發行股份	523,000	33,407,215	—	—	—	—	—	—	—	33,930,215
Issue of shares upon exercise of share options	購股權獲行使後發行股份	7,500	1,630,125	—	—	—	(271,125)	—	—	—	1,366,500
At 30 June 2015	於二零一五年六月三十日	3,148,201	142,977,984	—	3,188,494	1,742,763	2,105,350	8,020,110	20,751,024	(31,436,558)	150,497,368
(Unaudited)	(未經審核)										
At 1 January 2016	於二零一六年一月一日	3,935,250	204,694,080	—	2,373,730	1,742,763	—	8,020,110	20,751,024	(134,149,267)	107,367,690
(Audited)	(經審核)										
Total comprehensive loss for the period	期內全面虧損總額	—	—	—	130,516	—	—	—	—	(75,342,767)	(75,212,251)
Issue of convertible notes	發行可換股票據	—	—	4,385,040	—	—	—	—	—	—	4,385,040
Issue cost of convertible notes	可換股票據發行成本	—	—	(83,548)	—	—	—	—	—	—	(83,548)
At 30 June 2016	於二零一六年六月三十日	3,935,250	204,694,080	4,301,492	2,504,246	1,742,763	—	8,020,110	20,751,024	(209,492,034)	36,456,931
(Unaudited)	(未經審核)										

Note:

(a) The capital reserve represents the equity component of the convertible notes issued by the Company.

附註：

(a) 資本儲備指本公司發行的可換股票據之權益部分。

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

簡明綜合現金流量表

截至二零一六年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用的現金淨額	(61,884,031)	(18,964,093)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得的現金淨額		
Deposit paid for proposed acquisition of a hotel	建議收購一間酒店之已付按金	(23,988,000)	—
Other investing activities	其他投資活動	(2,588,714)	569,798
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	投資活動(所用)/所得的現金淨額	(26,576,714)	569,798
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Proceeds from issue of shares	發行股份所得款項	—	35,296,715
Net proceeds from issue of convertible bonds	發行可換股債券所得款項淨額	50,000,000	—
Other financing activities	其他融資活動	—	(575,143)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得的現金淨額	50,000,000	34,721,572
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(38,460,745)	16,327,277
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初的現金及現金等價物	47,612,022	2,322,143
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變化影響	420,525	23,838
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY	期終的現金及現金等價物·指		
Bank and cash balances	銀行及現金結餘	9,571,802	18,673,258

Notes to the Condensed Financial Statements

For the six months ended 30 June 2016

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Room 3006-10, 30/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group is principally engaged in the budget hotel operations in the People's Republic of China (the "PRC").

2. GOING CONCERN

During the six months ended 30 June 2016, the Group incurred a loss of HK\$75,342,767 (30 June 2015: loss of HK\$19,017,545). As at 30 June 2016, the Group's net current liabilities and cash and cash equivalents balance were HK\$3,359,850 (31 December 2015: net current assets of HK\$52,722,702) and HK\$9,571,802 (31 December 2015: HK\$47,612,022) respectively. The decrease in liquidity was mainly attributable to a refundable earnest payment for receiving proposals for proposed enhancements made for existing budget hotels and a refundable deposit paid for a proposed acquisition of a hotel in the PRC.

In order to improve the Group's operating performance and alleviate its liquidity risk, management is implementing measures to control costs and contain capital expenditures. Further investments in hotel operations will be made only when the Group has sufficient financial resources after meeting its day-to-day working capital and other capital commitment requirements.

The Company's directors have reviewed the Group's cash flow projections. The cash flow projections cover a period of twelve months from the date of approval of these condensed financial statements. In the opinion of the directors, based on these cash flow projections and in light of the above, the Group will have sufficient financial resources in the coming twelve months to meet its financial obligations as and when they fall due. Accordingly, the directors are satisfied that it is appropriate to prepare the condensed financial statements on a going concern basis.

3. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange.

These condensed financial statements should be read in conjunction with the 2015 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2015.

簡明財務報表附註

截至二零一六年六月三十日止六個月

1. 一般資料

本公司於開曼群島註冊成立為有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。其主要營業地點地址為香港灣仔港灣道26號華潤大廈30樓3006-10室。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一間投資控股公司。本集團主要於中華人民共和國(「中國」)從事經營經濟型酒店。

2. 持續經營

截至二零一六年六月三十日止六個月，本集團產生虧損75,342,767港元(二零一五年六月三十日：虧損19,017,545港元)。於二零一六年六月三十日，本集團流動負債淨額以及現金及現金等價物結餘分別為3,359,850港元(二零一五年十二月三十一日：流動資產淨值52,722,702港元)及9,571,802港元(二零一五年十二月三十一日：47,612,022港元)。流動資金減少乃主要由於就接受建議優化現有經濟型酒店之方案的可退還誠意金及建議收購一間中國的酒店之已付可退還按金。

為改善本集團的經營表現及減輕流動資金風險，管理層正實施控制成本及限制資本開支的措施。僅當本集團在滿足日常營運資金及其他資本承擔需求後仍擁有足夠的財務資源時，方會進一步投資於酒店業務。

本公司董事已審閱本集團的現金流量預測。該等現金流量預測涵蓋自該等簡明財務報表批准當日起十二個月期間。董事認為，根據該等現金流量預測以及鑒於上文所述，本集團將具備足夠的財務資源，可履行未來十二個月到期應付的財務責任。因此，董事信納，按持續經營基準編製簡明財務報表乃屬恰當。

3. 編製基準

該等簡明財務報表乃按香港會計師公會頒佈之香港會計準則第34號「中期財務報告」及聯交所證券上市規則規定之適用披露而編製。

該等簡明財務報表應與二零一五年年度財務報表一併閱讀。編製該等簡明財務報表時使用的會計政策及計算方法與截至二零一五年十二月三十一日止年度的年度財務報表所使用者一致。

4. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2016. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

5. SEGMENT INFORMATION

The segment information for the reportable segments for the period is as follows:

4. 採納新訂及經修訂的香港財務報告準則

於本期間，本集團已採納香港會計師公會頒佈的與其經營有關且於二零一六年一月一日起之會計年度生效的全部新訂及經修訂的香港財務報告準則。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納上述新訂及經修訂的香港財務報告準則對本集團之會計政策、本集團於本期間及過往年度的財務報表呈列及所報告金額並無重大影響。

本集團並未採用已頒佈但尚未生效的新訂及經修訂香港財務報告準則。本集團已開始評估該等新訂及經修訂香港財務報告準則的影響，但並未能就此等新訂及經修訂香港財務報告準則是否會對其經營業績及財務狀況產生重大影響發表意見。

5. 分部資料

期內，可呈報分部的分部資料載列如下：

		Hotel operations 酒店營運	Total 總額
		HK\$ 港元	HK\$ 港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
Six months ended 30 June 2016: 截至二零一六年六月三十日止六個月：			
Revenue from external customers	來自外來客戶之收益	8,524,044	8,524,044
Segment loss	分部虧損	(58,510,429)	(58,510,429)
Six months ended 30 June 2015: 截至二零一五年六月三十日止六個月：			
Revenue from external customers	來自外來客戶之收益	11,949,401	11,949,401
Segment loss	分部虧損	(10,434,063)	(10,434,063)

5. SEGMENT INFORMATION (Continued)

A reconciliation of segment results to loss before income tax is provided as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Total loss of reportable segments	可呈報分部虧損總額	(58,510,429)	(10,434,063)
Unallocated corporate expenses, net	未分配企業開支淨額	(16,238,519)	(6,920,843)
Finance income	融資收入	2,351	388,826
Finance cost	融資成本	(596,170)	(73,665)
Share of results of joint ventures	分佔合資公司業績	—	(1,977,800)
Loss before tax for the period	期內除稅前虧損	(75,342,767)	(19,017,545)

5. 分部資料(續)

分部業績與除所得稅前虧損之對賬載列如下：

6. FINANCE COSTS

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Finance cost on asset retirement obligations	報廢資產復原債務的融資成本	92,018	72,180
Finance cost on bank overdrafts	銀行透支的融資成本	—	1,485
Imputed interest costs on convertible notes	可換股票據應歸利息成本	504,152	—
		596,170	73,665

6. 融資成本

7. INCOME TAX CREDIT

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Current tax	即期稅項	—	—

7. 所得稅抵免

7. INCOME TAX CREDIT (Continued)

Hong Kong profits tax is provided at a rate of 16.5% (Six months ended 30 June 2015: 16.5%) on the estimated assessable profits for the period. No provision for Hong Kong profits tax since the Group has no assessable profit in Hong Kong during the period (Six months ended 30 June 2015: HK\$Nil).

The PRC corporate income tax is provided at the rate of 25% (Six months ended 30 June 2015: 25%) for the period. No provision for PRC enterprise income tax since the Group has no assessable profit in the PRC during the period (Six months ended 30 June 2015: HK\$Nil).

8. LOSS BEFORE TAX

The Group's loss for the period is arrived at after (crediting)/charging:

7. 所得稅抵免(續)

香港利得稅按期內估計應課稅溢利以稅率16.5% (截至二零一五年六月三十日止六個月: 16.5%) 計提撥備。由於本集團於期內並無在香港產生應課稅溢利, 故並無就香港利得稅計提撥備(截至二零一五年六月三十日止六個月: 零港元)。

期內, 中國企業所得稅按稅率25% (截至二零一五年六月三十日止六個月: 25%) 計提撥備。由於本集團於期內並無在中國產生應課稅溢利, 故並無就中國企業所得稅計提撥備(截至二零一五年六月三十日止六個月: 零港元)。

8. 除稅前虧損

本集團的期內虧損乃經(計入)/扣除下列項目呈列:

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
(Gain)/Loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(611)	115,219
Written off of prepaid operating lease expenses (Note 1)	撇銷預付經營租賃開支(附註1)	9,256,946	—
Provision of other receivables	其他應收款項撥備	18,700,000	—
Written off of rental deposit*	撇銷租賃按金*	520,852	—
Written off of property, plant and equipment (Note 2)	撇銷物業、廠房及設備(附註2)	29,846,967	—
Directors' remuneration	董事薪酬	1,058,000	1,013,670

Notes:

- During the six months ended 30 June 2016, the written off of prepaid operating lease expenses of HK\$9,256,946 (six months ended 30 June 2015: HK\$nil) mainly represents write off as a result of the termination of a hotel.
 - During the six months ended 30 June 2016, construction in progress of HK\$29,846,967 (six months ended 30 June 2015: HK\$nil) were written off as a result of the termination of development of two hotels.
- * This item is included in "Other operating expenses" of the condensed consolidated statement of profit or loss.

附註:

- 截至二零一六年六月三十日止六個月, 因終止一間酒店而撇銷預付經營租賃開支9,256,946港元(截至二零一五年六月三十日止六個月: 零港元)。
 - 截至二零一六年六月三十日止六個月, 因終止發展兩間酒店而撇銷在建工程29,846,967港元(截至二零一五年六月三十日止六個月: 零港元)。
- * 該項目計入簡明綜合損益表之「其他經營開支」。

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (Six months ended 30 June 2015: HK\$Nil).

9. 股息

於截至二零一六年六月三十日止六個月, 董事概無建議派付任何中期股息(截至二零一五年六月三十日止六個月: 零港元)。

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$75,342,767 (Six months ended 30 June 2015: HK\$19,017,545) and the weighted average number of ordinary shares of 393,525,000 (Six months ended 30 June 2015: 311,845,415) in issue during the period.

(b) Diluted loss per share

There was no dilutive potential ordinary shares outstanding for the period (Six months ended 30 June 2015: nil). Accordingly, the diluted loss per share is same as basic loss per share for both periods.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired property, plant and equipment of approximately HK\$1,156,044 (Six months ended 30 June 2015: HK\$345,148).

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The amounts of prepayments, deposits and other receivables are analysed as follows:

10. 每股虧損

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損的計算乃基於本公司擁有人應佔期內虧損約75,342,767港元(截至二零一五年六月三十日止六個月：19,017,545港元)及期內已發行普通股加權平均數393,525,000股(截至二零一五年六月三十日止六個月：311,845,415股)。

(b) 每股攤薄虧損

期內，本公司並無已發行潛在攤薄普通股(截至二零一五年六月三十日止六個月：無)。因此，該兩個期間之每股攤薄虧損與每股基本虧損相同。

11. 物業、廠房及設備

截至二零一六年六月三十日止六個月，本集團購置物業、廠房及設備約1,156,044港元(截至二零一五年六月三十日止六個月：345,148港元)。

12. 預付款項、按金及其他應收款項

預付款項、按金及其他應收款項分析如下：

	Notes 附註	30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Non-current portion	非流動部分		
Deposit for acquisition of a hotel	(a)	23,988,000	—
Rental deposits		3,806,493	3,493,002
Prepaid operating lease		—	8,406,356
Other receivables		—	2,000,000
		27,794,493	13,899,358
Current portion	流動部分		
Prepayments		1,448,196	1,521,287
Prepaid operating lease		—	850,589
Other receivables	(b)	44,187,095	16,808,762
		45,635,291	19,180,638
		73,429,784	33,079,996

Notes:

- (a) This represented deposit paid for proposed acquisition of 51% interest in a hotel.
- (b) Included in the other receivables consist of a refundable earnest payment of HK\$44,000,000 for receiving proposals for proposed enhancements for the PRC budget hotels.

附註：

- (a) 其為建議收購一間酒店51%權益之已付按金。
- (b) 計入其他應收款項，包括就接受建議優化中國經濟型酒店之方案的可退還誠意金44,000,000港元。

13. TRADE RECEIVABLES

The aging analysis of trade receivables is as follows:

		30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Neither past due nor impaired	無逾期亦無減值	26,170	242,976
0-30 days past due	逾期0至30天	23,649	—
31-60 days past due	逾期31至60天	—	11,240
61-90 days past due	逾期61至90天	810	1,176
91-120 days past due	逾期91至120天	—	568
121-365 days past due	逾期121至365天	15,402	6,640
		39,861	19,624
		66,031	262,600

14. CONVERTIBLE BONDS

The convertible bonds (the “Bonds”) were issued on 14 June 2016. The Bonds are convertible into ordinary shares of the Company at any time between the date of issue of the Bonds and the business day immediately prior to the maturity date (i.e. one year from the date of issue of the Bonds or if such date is not a business day the next business day). The Bonds were convertible to 54,838,708 shares per HK\$0.93 bond.

If the Bonds have not been converted, the Company will pay to the holders of the Bonds an amount equal to the aggregate of (i) 100% of the principal amount of the Bonds outstanding; (ii) interest accrued and outstanding pursuant to terms and conditions of the Bonds; and (iii) a premium of 7% per annum of the principal amount of the Bonds outstanding. Interest of 8 per cent will be paid annually up until that the business day immediately prior to the maturity date (i.e. one year from the date of issue of the Bonds or if such date is not a business day, the next business day).

If the maturity date is extended or postponed pursuant to the terms and conditions of the Bonds, upon maturity of the Bonds on such extended maturity date, the Company will pay to the holders of the Bonds an amount equal to the aggregate of (i) 100% of the principal amount of the Bonds outstanding; (ii) interest accrued and outstanding pursuant to the terms and conditions of the Bonds; and (iii) a premium of 15% of the principal amount of the Bonds outstanding.

13. 應收賬款

應收賬款的賬齡分析如下：

		30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Neither past due nor impaired	無逾期亦無減值	26,170	242,976
0-30 days past due	逾期0至30天	23,649	—
31-60 days past due	逾期31至60天	—	11,240
61-90 days past due	逾期61至90天	810	1,176
91-120 days past due	逾期91至120天	—	568
121-365 days past due	逾期121至365天	15,402	6,640
		39,861	19,624
		66,031	262,600

14. 可換股債券

本公司於二零一六年六月十四日發行可換股債券（「債券」）。債券可於債券發行日期至緊接到期日前之營業日（即債券發行日期起計一年或倘該日期並非營業日，則下一個營業日）隨時轉換為本公司之普通股。債券可按每份債券0.93港元轉換為54,838,708股股份。

倘債券未獲轉換，本公司將向債券持有人支付相當於以下各項總和之金額：(i) 債券未償還本金額之100%；(ii) 根據債券的條款及條件之應計及未支付利息；及(iii) 債券未償還本金額之每年7%溢價。8%之利息將按年支付，直至緊接到期日前之營業日（即債券發行日期起計一年或倘該日期並非營業日，則下一個營業日）為止。

倘到期日根據債券的條款及條件延遲或推遲，債券於有關延遲到期日到期時，本公司將向債券持有人支付相當於以下各項總和之金額：(i) 債券未償還本金額之100%；(ii) 根據債券的條款及條件之應計及未支付利息；及(iii) 債券未償還本金額之15%溢價。

14. CONVERTIBLE BONDS (Continued)

The net proceeds received from the issue of the Bonds have been split between the liability element and an equity component, as follows:

		30 June 2016 二零一六年 六月三十日 HK\$ 港元
Fair value of the Bonds issued	已發行債券公平值	52,485,008
Total issue cost	總發行成本	(1,000,000)
Issue cost (equity component)	發行成本(權益部分)	83,548
Equity component	權益部分	(4,385,040)
Liability component at date of issue	於發行日期之負債部分	47,183,516
Interest charged (Note 6)	利息支出(附註6)	504,152
Liability component at 30 June 2016	於二零一六年六月三十日之負債部分	47,687,668

The interest charged for the year is calculated by applying an effective interest rate of 24 per cent to the liability component.

Mr. Ding Yifan, the controlling shareholder of the Company, guaranteed the due payment of all sums expressed to be payable by the Company under the terms and conditions of the Bonds and pursuant to a personal guarantee given by Mr. Ding Yifan.

15. TRADE AND OTHER PAYABLES

Trade payables	應付賬款	2,652,290
Accruals and other payables	應計項目及其他應付款項	6,849,397
		9,501,687

14. 可換股債券(續)

發行債券之所得款項淨額於負債部分與權益部分之間分配如下：

本年度負債部分之利息支出乃按實際利率24%計算。

本公司控股股東丁一凡先生擔保本公司根據債券之條款及條件及根據丁一凡先生作出的個人擔保妥為支付應付的所有款項。

15. 應付賬款及其他應付款項

30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
2,652,290	2,124,015
6,849,397	10,842,324
9,501,687	12,966,339

15. TRADE AND OTHER PAYABLES (Continued)

The aging analysis of trade payables is as follows:

		30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
0-30 days	0至30天	980,182	729,766
31-60 days	31至60天	511,370	379,780
61-90 days	61至90天	235,556	266,170
Over 90 days	超過90天	925,182	748,299
		2,652,290	2,124,015

16. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed financial statements, the Group had the following transactions with its related parties during the period:

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Management fee income received from joint ventures	收取合資公司的管理費收入		
— Sanya Welcomeinn Waterfront Tourism Limited	— 三亞悅來客棧水岸旅業有限公司	—	338,532
— Sanya Welcomeinn Jinhua Tourism Limited	— 三亞悅來客棧錦華旅業有限公司	—	160,445

17. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2016 (At 31 December 2015: HK\$Nil).

15. 應付賬款及其他應付款項 (續)

應付賬款的賬齡分析如下：

		30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
0-30 days	0至30天	980,182	729,766
31-60 days	31至60天	511,370	379,780
61-90 days	61至90天	235,556	266,170
Over 90 days	超過90天	925,182	748,299
		2,652,290	2,124,015

16. 關連方交易

除簡明財務報表其他內容披露的該等關連方交易及結餘外，本集團於期內有以下關連方交易：

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$ 港元 (Unaudited) (未經審核)
Management fee income received from joint ventures	收取合資公司的管理費收入		
— Sanya Welcomeinn Waterfront Tourism Limited	— 三亞悅來客棧水岸旅業有限公司	—	338,532
— Sanya Welcomeinn Jinhua Tourism Limited	— 三亞悅來客棧錦華旅業有限公司	—	160,445

17. 或然負債

於二零一六年六月三十日，本集團並無任何重大或然負債(於二零一五年十二月三十一日：零港元)。

18. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		30 June 2016 二零一六年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Contracted but not provided for	已訂約但未撥備		
— Property, plant and equipment	— 物業、廠房及設備	60,190	—
— Other asset	— 其他資產	—	1,440,000
		60,190	1,440,000

19. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The condensed financial statements were approved and authorised for issue by the Board of Directors on 26 August 2016.

18. 資本承擔

本集團於報告期末的資本承擔如下：

19. 批准中期財務報表

簡明財務報表由董事會於二零一六年八月二十六日批准及授權發佈。

Management Discussion and Analysis

BUSINESS AND OPERATIONAL REVIEW

Business and operational review

The Group is principally engaged in budget hotel operations. For the six months ended 30 June 2016, the Group has 3 leased-and-operated hotels under operation.

Hotel Operations

Revenue from hotel operations mainly included the sales of hotel rooms and hotel membership cards. Revenue was HK\$8,524,044 during the six months ended 30 June 2016, representing a decrease of 28.7% as compared with revenue of HK\$11,949,401 for the same period of the last financial year.

In view of the difficult business environment for the three budget hotels, the management concentrated to operate the existing hotels in Shenzhen City so as to achieve the primary goal of break-even. During the period ended 30 June 2016, the Group had ceased its investments in Buji Hotel (located in Buji, Longgang District, Shenzhen City) and Huizhou Hotel (located in Huicheng District, Huizhou City). The Group was of the view that they would be exposed to enormous risk to invest in new hotels as the surge in supply of budget hotels in the PRC has led to a saturated market, while the demand was depressed due to the slowdown economy. Furthermore, it also required considerable additional investment to commence the operation of a new hotel.

On the other hand, as mentioned in the Company's announcement on 21 April 2016, the Group has entered into a memorandum of understanding in relation to the proposed acquisition of a 51% interests in a hotel which is located in Sichuan Province, the PRC. This possible acquisition will be in line with the Group's intention to achieve breakthroughs in the long term depression of budget hotel business and eventually bring returns to shareholders, in the event it materializes. The Group will continue to look for investment and enhancement opportunities and exploring new hotel business in the PRC, Hong Kong or overseas, so as to optimize the overall hotel assets structure and improve efficiency.

管理層討論及分析

業務及營運回顧

業務及營運回顧

本集團主要從事經濟型酒店營運。截至二零一六年六月三十日止六個月，本集團擁有一家營運中之租賃經營酒店。

酒店營運

酒店營運之收益主要包括銷售酒店客房及酒店會員卡之收益。截至二零一六年六月三十日止六個月，收益為8,524,044港元，較上個財政年度同期11,949,401港元下降28.7%。

鑒於深圳三家經濟型酒店的艱難營運，管理層以盡快到達收支平衡為首段目標，致力於營運位於深圳市之現有酒店。於二零一六年六月三十日期間，本集團已停止位於深圳市龍崗區布吉鎮的布吉店及位於惠州市惠城區的惠州店之投資。本集團認為，中國經濟型酒店的數量快速增長，市場已趨飽和，而需求卻受到經濟放緩影響而趨於疲弱，故投資新建酒店將面臨巨大風險。此外，啟動一家新建酒店的經營，還需要投入大量新的資金。

另一方面，誠如本公司於二零一六年四月二十一日之公告所述，本集團已訂立一份諒解備忘錄，內容有關一個位於中國四川省之一間酒店的51%權益的建議收購。此項潛在收購(倘落實)將符合本集團實現突破經濟型酒店業務長期低迷境況並最終回饋股東之目標。本集團將繼續尋求投資及優化機會及於中國、香港或海外地區開拓新酒店業務，以優化整體酒店資產結構並提升其效益。

HOTELS UNDER OPERATION

Nanshan Hotel

Nanshan Hotel located at Nanshan Road, with 192 rooms. As a flagship hotel of the group, it contributed the majority of turnover of the Group. For the six months ended 30 June 2016, the turnover of Nanshan Hotel has increased by approximately 9.1%. As the nearby subway station has been opened in late June 2016 with panels of the subway construction project which obstructed the portal of the hotel gradually decreased, the appearance of the hotel has improved, and as some of the renovation projects of the hotel will be completed shortly, it will attract more guests and boost the amounts of turnover. As a result, it is expected that better performance will be recorded in the foreseeable future in this hotel.

Luohu Hotel

Luohu Hotel is located at the thriving financial center of Luohu District in Shenzhen, which enjoys convenient transport access (only about 5 minutes' driving distance to Luohu Checkpoint and Convention and Exhibition Center), and occupies the high traffic location in Shenzhen, but part of the revenue is relying on domestic travellers making short trips to Hong Kong. The implementation of one-visit-one-week policy by the Hong Kong Government has continuously cast adverse impact on Luohu Hotel, losses continued to be recorded during the period as a result. Turnover decreased by approximately 15.6% during the period in this hotel. As Luohu Hotel is on the superior site which guarantees the customer base to a certain degree, the Group will adjust its market strategies to achieve break-even.

Baoan Hotel

Baoan Hotel is located in Baoan District of Shenzhen, which, on a geographical and environmental basis, situates at a less prime location. As a vacant lot nearby is under construction, which has an influence on the hotel in terms of appearance and noise, the turnover decreased by approximately 2.4% as compared with the last period of the financial year. In addition, some new hotels in the same district commenced operation during the period, the competition within the district is likely to be more fierce, and the Group estimates the operation of this hotel would be faced with great challenge.

JOINT VENTURE HOTELS

Sanya Waterfront Hotel and Sanya Jinhua Hotel

The Group continued to own two joint venture companies and holds 60% interests in each of them. Each of the joint venture companies establishes a wholly-owned subsidiary named Welcomeinn Sanya Waterfront Hotel and Welcomeinn Sanya Jinhua Hotel, respectively to conduct the business of hotel operation in Sanya, the PRC.

營運中的酒店

南山店

南山店位於南山大道，擁有192間客房。作為集團的旗艦店，其為本集團貢獻了主要的營業額。截至二零一六年六月三十日止六個月，南山店的營業額增加大約9.1%。由於鄰近的地鐵站已於二零一六年六月底通車，阻隔酒店正門外的地鐵建築工程圍板已逐步減少，酒店外觀因而得到改善，且部份的酒店翻新工程即將完成，此將能吸引更多住客並提振營業額，因此於可見將來，該酒店表現將得以改善。

羅湖店

羅湖店位於深圳市羅湖區繁華金融中心區，交通非常方便，距離羅湖口岸及會展中心亦只需五分鐘車程，實屬深圳高人流地段，但部份收入乃依賴往來香港及內地的短途游客。因繼續承受香港政府實行一周行政策的負面影響，酒店於期內仍錄得虧損。羅湖店在此期內的營業額下降大約15.6%。由於羅湖店位處於較優地段，客源有一定的保證，本集團將會調整市場策略，以達至收支平衡。

寶安店

位於深圳市寶安區的寶安店，就地理和環境上屬次級地段。因酒店旁邊的空地正在施工，在外觀及噪音上皆對酒店造成影響，營業額較本財政年度上一期間下降約2.4%。加上區內有新酒店於期內投入服務，預計區內酒店業競爭日趨白熱化，本集團預期該酒店經營將面臨重大挑戰。

合資酒店

三亞水岸店和三亞錦華店

本集團繼續擁有兩家合資公司，於各家公司均擁有60%權益。此兩家合資公司各自分別成立名為悅來客棧(三亞水岸店)及悅來客棧(三亞錦華店)的全資附屬公司，以在中國三亞進行酒店營運業務。

The management has made full provision for the investment and loans to these two Sanya hotels during the past year, and no further contributions was made into them during the recent period. The Group will consider exiting or disposing these joint venture companies in the near future.

HOTELS UNDER CONSTRUCTION

As mentioned above, given that the other three budgets hotels were in difficult business environment, the management estimated that it would be difficult for Buji Hotel and Huizhou hotels to bring reasonable return to the shareholders, and may even cause additional loss to the Group. It was not in the best interest of the shareholders to continue investing in these two new hotels, the Group has ceased these hotels and a write-off for the preliminary investment in such hotels was made, and terminated the leasing agreements with the landlords, so as to reduce the risk exposure of the Group.

FINANCIAL REVIEW

For the six months ended 30 June 2016, the Group recorded a turnover of HK\$8,524,044, compared with HK\$11,949,401 of the corresponding period in the last financial year, representing a decrease of approximately 28.7%. The Group recorded a total comprehensive loss of HK\$75,212,251 for the six months ended 30 June 2016 compared with a total comprehensive loss of HK\$18,974,063 for the same period of the last financial year.

於去年，管理層已對這兩家三亞店的投資和貸款作出全數撥備，於本期間亦無對其作出其他注資。本集團將考慮於近期退出或出售該等合資公司。

在建酒店

誠如上文所述，鑒於另三家經濟酒店經營艱難、管理層預計布吉店及惠州店將難以為股東提供合理回報，並可能為集團構成額外虧損。繼續投資該兩家新建酒店不符合股東的最佳利益，故本集團已停止這兩家酒店的投資，並對這兩家酒店的前期投資作出撇銷，與業主解除租賃合同，從而減低對本集團的風險。

財務回顧

截至二零一六年六月三十日止六個月，本集團錄得營業額8,524,044港元，較上個財政年度同期之11,949,401港元減少約28.7%。本集團於截至二零一六年六月三十日止六個月錄得全面虧損總額75,212,251港元，而上個財政年度同期之全面虧損總額為18,974,063港元。

The total comprehensive loss for the six months ended 30 June 2016 further increased mainly due to the following factors:

1. The Group has made a provision of HK\$18,700,000 on an other receivable during the period ended 30 June 2016. It represented the refund of prepayments for property, plant and equipment due to the termination of developments of two hotels in 2014. The Group has adopted a series of measures to collect the refund, but the Group considered that it is difficult to collect the remaining amounts, and provision was made as a result. The Group will continue to chase for the remaining payment.
2. During the period ended 30 June 2016, the Group has also written off on the prepaid operating lease. It related to the operating lease payment paid to an independent third party in respect of the rental of a hotel premise in the PRC for a lease term of 15 years until 30 June 2026. The Group estimated that it is difficult to bring reasonable returns to shareholders after its assessment. The Group also attempted to find suitable new lessee to transfer the lease agreement but failed, hence the Group has terminated the leasing agreement with the property lessor and has written off for relevant amounts.
3. Save as disclosed above, the Group has terminated the investment in Buji Hotel and Huizhou Hotel during the period ended 30 June 2016, and a write off of HK\$29,846,976 for construction in progress was provided therefore.

The following table shows the key information of the total of the Group's leased-and-operated hotels for the six months ended 30 June 2015 and 2016.

截至二零一六年六月三十日止六個月之全面虧損總額進一步擴大，乃主要由於下列因素：

1. 本集團於截至二零一六年六月三十日止期間已就其他應收款項作出18,700,000港元之撥備。其為二零一四年終止開發兩間酒店的物業、廠房及設備之預付款項的退款。經本集團採取一系列收款措施後，本集團認為將難以收回餘下款項，因此作出撥備。本集團將繼續追索餘下款項。
2. 於截至二零一六年六月三十日止期間，本集團亦就預付經營租賃作出撇銷。其與就於中國的酒店物業租賃(租期為截至二零一六年六月三十日止十五年)向一名獨立第三方支付之經營租賃付款有關。經本集團評估後，預期酒店將難以為股東提供合理回報。本集團亦曾嘗試尋找合適的新租戶以求把租約易手，但未能成功。因此本集團已和物業租賃方中止租約，並將相關款項作出撇銷。
3. 除上文所披露者外，於截至二零一六年六月三十日止期間，本集團終止布吉店和惠州店的投資，因此對在建工程作出29,846,967港元之撇銷。

下表載列本集團全部租賃經營酒店截至二零一五年及二零一六年六月三十日止六個月之主要資料。

For six months ended 30 June
截至六月三十日止六個月

		2016	2015
		二零一六年	二零一五年
Total available room nights	總可出租客房晚數	56,371	54,675
Occupancy rate	入住率	73.5%	78.7%
ARR* (RMB)	平均房租*(人民幣元)	175.1	174.5
RevPAR# (RMB)	平均每間客房收入#(人民幣元)	128.7	137.3

* ARR: the average room revenue of all hotels divided by the total occupied room nights

* 平均房租：所有酒店之平均客房收入除以總入住客房晚數

RevPAR: the average room revenue of all hotels divided by the total available room nights

平均每間客房收入：所有酒店之平均客房收入除以總可出租客房晚數

Operating Costs

The total operating costs decreased by HK\$2,806,457, or approximately 9.6%, from HK\$29,306,715 for the last period to HK\$26,500,258 for the six months ended 30 June 2016. The decrease in operating expenses are due to the adoption of cost saving approach. Of which operating lease expenses decreased by HK\$4,491,466 mainly due to the termination of the leases in Buji Hotel and Huizhou Hotel. Depreciation decreased by HK\$2,839,763 as numerous property, plant and equipment were written off from last financial period.

The following table shows the total operating costs for the six months ended 30 June 2015 and 2016:

		For six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Operating lease expenses	經營租賃開支	5,793,811	10,285,277
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,161,073	4,000,836
Employee benefit expenses	僱員福利開支	9,622,464	5,859,443
Utilities	公用設施	634,424	924,836
Other operating expenses	其他經營開支	9,288,486	8,236,323

FINANCE COSTS

The finance costs increased by HK\$522,505 to HK\$596,170 as compared with the six months ended 30 June 2015. It mainly represented the interest expenses for the convertible bonds.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2016, the Group mainly financed its operations and expansion with its own working capital generated internally and fund raising activities.

As at 30 June 2016, the Group had bank balances and cash of HK\$9,571,802 (31 December 2015: HK\$47,612,022). Gearing ratio is calculated as the amount of interest-bearing borrowings divided by total equity. The gearing ratio as of 30 June 2016 is 130.8% (31 December 2015: Nil), as placing of convertible bonds was completed during the six months ended 30 June 2016.

The Group was in net current liabilities position of HK\$3,359,850 for the six months ended 30 June 2016. It is expected the Group's investment in production of a TV drama series will start to generate positive cash flow and improve the liquidity and financial position of the Group.

經營成本

截至二零一六年六月三十日止六個月，總經營成本由上一期間之29,306,715港元減少2,806,457港元或約9.6%至26,500,258港元。經營開支減少乃由於採取成本節省措施所致。其中經營租賃開支減少4,491,466港元，主要由於終止租賃布吉店和惠州店。折舊減少2,839,763港元，乃由於自上一個財政期間撇銷大量物業、廠房及設備。

下表載列截至二零一五年及二零一六年六月三十日止六個月之總經營成本：

		For six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元
Operating lease expenses	經營租賃開支	5,793,811	10,285,277
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,161,073	4,000,836
Employee benefit expenses	僱員福利開支	9,622,464	5,859,443
Utilities	公用設施	634,424	924,836
Other operating expenses	其他經營開支	9,288,486	8,236,323

融資成本

融資成本較截至二零一五年六月三十日止六個月增加522,505港元至596,170港元，其主要為可換股債券之利息開支。

流動資金、財務資源及資本結構

截至二零一六年六月三十日止六個月，本集團主要以其內部產生之本身營運資金及融資活動為其營運及擴展撥付資金。

於二零一六年六月三十日，本集團之銀行結餘及現金為9,571,802港元（二零一五年十二月三十一日：47,612,022港元）。資本負債比率乃按附息借貸除以資本總額計算。由於配售可換股債券已於截至二零一六年六月三十日止六個月完成，故截至二零一六年六月三十日之資本負債比率為130.8%（二零一五年十二月三十一日：零）。

本集團於截至二零一六年六月三十日止六個月處於淨流動負債狀況（3,359,850港元）。預計本集團於電視劇製作之投資將會開始產生正現金流及改善本集團的流動資金和財務狀況。

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As mentioned in the Company's announcement on 21 April 2016, the Group has entered into a memorandum of understanding in relation to the proposed acquisition of a 51% interests in a hotel which located in Sichuan Province, the PRC. The Group has made the first deposit payment of approximately HK\$23,988,000 in mid of May 2016. Further payments will be made when the deal is finally completed.

Save as disclosed above and in the Company's announcement, there was no other material investment held, acquisition or disposal made by the Group during the six months ended 30 June 2016.

FOREIGN EXCHANGE RISK

For the six months ended 30 June 2016, the Group's majority of the assets and liabilities, and income and expenses were denominated in Renminbi and Hong Kong Dollar. The Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

CAPITAL STRUCTURE

There was no material change in the capital structure of the Group during the six months ended 30 June 2016. The total number of the issued shares of the Company was 393,525,000 as at 30 June 2016 (2015: 393,525,000).

DIVIDENDS

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this announcement.

所持重大投資、附屬公司及聯屬公司之重大收購或出售以及未來重大投資或資本資產計劃

誠如本公司二零一六年四月二十一日之公告所述，本集團已訂立一份諒解備忘錄，內容有關一個位於中國四川省之一間酒店的51%權益的建議收購。本集團已於二零一六年五月中旬支付首筆按金約23,988,000港元。交易最終完成時將支付進一步款項。

除上文及本公司公告所披露者外，截至二零一六年六月三十日止六個月，本集團概無持有或作出其他重大投資、收購或出售。

外匯風險

截至二零一六年六月三十日止六個月，本集團大部分資產、負債、收入及開支乃以人民幣及港元計值。本集團概無因外匯合約、利率、貨幣掉期或其他金融衍生工具而面臨任何重大風險。

資本結構

截至二零一六年六月三十日止六個月，本集團資本結構概無重大變動。於二零一六年六月三十日，本公司已發行股份總數為393,525,000股(二零一五年：393,525,000股)。

股息

董事不建議就截至二零一六年六月三十日止六個月派付中期股息(截至二零一五年六月三十日止六個月：無)。

足夠公眾持股量

根據本公司可查閱之公開資料及據董事所知，本公司已發行股本總額之至少25%於本公告日期乃由公眾持有。

EMPLOYEE AND REMUNERATION POLICIES

The Group had 84 employees (31 December 2015: 86 employees) as at 30 June 2016. Remuneration is determined by reference to market terms and performance, qualifications and experience of individual employee. Discretionary bonuses based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to retirement scheme.

CHARGES ON ASSETS

As at 30 June 2016, the Group did not have any charges on its assets (31 December 2015: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2016, the Group had no material contingent liabilities (31 December 2015: approximately HK\$1,440,000, which primarily related to the investment in production of TV drama series).

OPERATING LEASE COMMITMENTS

As at 30 June 2016, the Group had total operating lease commitments of approximately HK\$39,151,000 (31 December 2015: HK\$76,082,000). The operating lease commitments are mainly related to the rental of hotels premises for hotel operations and head office. Operating lease commitments decreased as the Group has ceased the lease in Buji Hotel and Huizhou Hotel. The management has made great efforts to mitigate the overall risks in order to bring maximum returns to all stakeholders.

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

Save as the placing of convertible bonds, details of which were announced by the Company's announcements on 25 May 2016 and 14 June 2016, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the six months ended 30 June 2016.

Save as the above, neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercise any conversion or subscription rights under any convertible securities, options, warrants or similar rights during the six months ended 30 June 2016.

僱員及薪酬政策

於二零一六年六月三十日，本集團擁有84名僱員（二零一五年十二月三十一日：86名僱員）。薪酬乃參考市場條款與個別僱員之表現、資歷及經驗釐定。本集團亦向僱員支付基於個人表現之酌情花紅，以表揚及獎勵彼等作出之貢獻。其他福利包括退休計劃供款。

資產抵押

於二零一六年六月三十日，本集團並無任何資產抵押（二零一五年十二月三十一日：無）。

資本承擔及或然負債

於二零一六年六月三十日，本集團並無任何重大或然負債（二零一五年十二月三十一日：約1,440,000港元，主要與投資於電視劇製作相關）。

經營租賃承擔

於二零一六年六月三十日，本集團擁有經營租賃承擔總額約39,151,000港元（二零一五年十二月三十一日：76,082,000港元）。經營租賃承擔主要與用於酒店經營及總辦事處的酒店物業的租賃有關。經營租賃承擔減少乃由於本集團已終止租賃布吉店和惠州店。管理層已盡力減緩整體風險以致為所有利益相關者帶來最大回報。

購買、出售或贖回本公司之上市證券

除配售可換股債券（有關詳情已於二零一六年五月二十五日及二零一六年六月十四日之本公司公告公佈）外，本公司或其任何附屬公司於截至二零一六年六月三十日止六個月概無購買、出售或贖回本公司任何上市證券。

除上述者外，於截至二零一六年六月三十日止六個月，本公司或其任何附屬公司概無發行或授出任何可換股證券、購股權、認股權證或類似權利或根據任何可換股證券、購股權、認股權證或類似權利行使任何換股權或認購權。

USE OF PROCEEDS IN FUND RAISING ACTIVITIES

On 28 August 2015, the Company entered into the underwriting agreement with Sheng Yuan Securities Limited (the “Underwriter”), pursuant to which the Underwriter agreed to underwrite the Offer Shares, being not less than 38,404,383 shares and not more than 39,829,383 shares according to the terms of the underwriting agreement. The underwriting was completed on 16 October 2015 with the subscription price at HK\$0.80 per share in cash. The proceeds raised would be applied as investment funds and general working capital of the Group. The following is a summary of the use of proceeds for the amount of HK\$63,000,000 after the placing of the shares.

融資活動所得款項用途

於二零一五年八月二十八日，本公司與盛源證券有限公司（「包銷商」）訂立包銷協議，據此，包銷商同意根據包銷協議之條款包銷發售股份，即不少於38,404,383股股份及不多於39,829,383股股份。包銷事項已於二零一五年十月十六日以現金按每股股份0.80港元之認購價完成。所籌得款項將用作本集團的投資資金及一般營運資金。以下為配售股份後所得款項63,000,000港元之用途概要。

		2016 二零一六年 HK\$ 港元
Utilised General working capital	已動用一般營運資金	34,200,000
Utilised Investing activities	已動用投資項目	26,870,000
Cash	現金	1,930,000
Total	總計	63,000,000

In addition, on 25 May 2016, the Company entered into a placing agreement with Sheng Yuan Securities Limited (the “Placing Agent”), pursuant to which the Company has conditionally agreed to issue and the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placees to subscribe for the Convertible Bonds with an aggregate principal amount of up to HK\$51,000,000 at the Placing Price, conversion price of HK\$0.930 per share. The Placing was completed on 14 June 2016. The proceeds raised would be applied as general working capital and financing the Group’s potential acquisitions opportunities as and when appropriate.

此外，於二零一六年五月二十五日，本公司與盛源證券有限公司（「配售代理」）訂立配售協議，據此，本公司已有條件同意發行及配售代理已有條件同意按竭誠盡力基準促使不少於六名承配人按配售價認購本金額合共最多為51,000,000港元之可換股債券（換股價每股股份0.930港元）。配售事項已於二零一六年六月十四日完成。所籌得款項將用作一般營運資金及於適當時候為本集團的潛在收購機會撥資。

The following is a summary of the use of proceeds for the amounts of approximately HK\$50,000,000 (after deduction of 2% for the commission for the placing agent) after the placing of the Convertible Bonds:

以下為配售可換股債券後所得款項約50,000,000港元（經扣除2%的配售代理佣金）之用途概要：

		2016 二零一六年 HK\$ 港元
Hotel investment and enhancement fund	酒店投資及優化資金	44,000,000
Cash	現金	6,000,000
Total	總計	50,000,000

CORPORATE GOVERNANCE

The Company is committed to ensure a high standard of corporate governance in the interests of the shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices. The Company has complied with the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2016. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the six months ended 30 June 2016, except for certain deviations as specified with considered reasons for such deviations as explained below.

Under Code Provision of A.2.1 of the CG Code, the role of the chairman and chief executive officer should be separated and should not be performed by the same individual. The post of Chairman and Chief Executive Officer are separated to ensure a clear division between the Chairman's responsibility to manage the Board and the Chief Executive Officer's responsibility to manage the Company's business. The separation ensures a balance of power and authority so that power is not concentrated.

During the six months ended 30 June 2016, the Company did not have a chief executive officer. The chief executive officer's duties have been undertaken by all Executive Directors of the Company.

During the six months ended 30 June 2016, the Company did not have a chairman of the Company. The role of the chairman has been performed collectively by the Board of the Company.

The Board considers this arrangement allows contributions from all directors with different expertise and is beneficial to the continuity of the Company's policy and strategies and the interest of the shareholders of the Company as a whole.

Nevertheless, the Company will continue to look for suitable candidates and will make necessary arrangement pursuant to the requirement under A.2.1 of CG Code as and when necessary.

企業管治

本公司致力推行高水準之企業管治，以保障股東權益，並盡力維持高水準的商業操守及企業管治常規。本公司於截至二零一六年六月三十日止六個月已遵守上市規則附錄十四所載之企業管治守則及企業管治報告（「企業管治守則」）。本公司於截至二零一六年六月三十日止六個月已採用企業管治守則之原則並遵守適用之守則條文，惟下文解釋之若干已闡明原因之有關偏離除外。

根據企業管治守則守則條文A.2.1，主席與行政總裁的角色應有區分，並不應由一人同時兼任。將主席與行政總裁的角色區分是為了確保主席管理董事會之責任與行政總裁管理本公司業務之責任得到清晰分工。該劃分確保權力及授權分佈均衡，令權力不會集中。

截至二零一六年六月三十日止六個月，本公司並無行政總裁。行政總裁之職能已由本公司全體執行董事承擔。

截至二零一六年六月三十日止六個月，本公司並無主席。主席之職能已由本公司董事會共同履行。

董事會認為該項安排可使各董事發揮所長，為公司作出貢獻，有利於本公司政策及策略的連貫性，符合本公司股東的整體利益。

然而，本公司將繼續尋求合適候選人，並將於必要時根據企業管治守則第A.2.1條的規定作出必要安排。

The Board will continue to review the corporate governance status of the Company from time to time and make any necessary changes to comply with the CG Code as and when considered appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group had adopted Appendix 10 of the Listing Rules (the “Model Code”) as its own code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings. The Company had made specific enquiry to all the Directors, and the Directors have confirmed compliance with this code of conduct during the six months ended 30 June 2016.

AUDIT COMMITTEE REVIEW

The Group has an Audit Committee which was established for the purposes of including but not limited to reviewing and providing supervision over the Group’s financial reporting process, internal controls and risk management system. The Audit Committee comprises three Independent Non-executive Directors. Mr. Leung Siu Hong is the Chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles and policies adopted by the Group and has discussed and reviewed the internal controls and financial reporting matters of the Group, including the review of the unaudited interim results for the six months ended 30 June 2016 with the management of the Company.

REVIEW OF INTERIM RESULTS

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2016 has been reviewed by ZHONGHUI ANDA CPA Limited, the auditor of the Company.

董事會將繼續不時檢討本公司的企業管治情況，並將於適當時間作出任何必要變動以符合企業管治守則。

證券交易的標準守則

本集團已採納上市規則附錄十(「標準守則」)作為其有關董事進行證券交易的操守守則，其條款不遜於所規定的交易標準。本公司經對全體董事作出具體查詢後，董事均已確認，彼等於截至二零一六年六月三十日止六個月內一直遵守該操守守則。

審核委員會審閱

本集團已成立審核委員會以(包括但不限於)檢討及監督本集團的財務匯報程序、內部監控及風險管理系統。審核委員會由三名獨立非執行董事組成。梁兆康先生為審核委員會主席。審核委員會已對本集團採納的會計準則及政策進行審閱，並與本公司管理層討論及審閱本集團的內部監控及財務匯報事宜，包括審閱截至二零一六年六月三十日止六個月的未經審核中期業績。

審閱中期業績

本集團截至二零一六年六月三十日止六個月之未經審核中期簡明綜合財務資料已由本公司核數師中匯安達會計師事務所有限公司審閱。

DIRECTORS' INTEREST IN A COMPETING BUSINESS

For the period ended 30 June 2016 and up to the date of this report, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

SHARE OPTION SCHEME

The Company had a share option scheme ("Scheme") which was adopted pursuant to a resolution of the sole shareholder passed on 22 June 2011 and adopted by a resolution of the Board on 22 June 2011. The purpose of the Scheme was to attract, retain and motivate talented participants to strive for future developments and expansion of the Group. The Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions.

The Scheme became effective on 22 June 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from the adoption of the Scheme, the principal terms of which were summarized in the paragraph headed "Share Option Scheme" in Appendix V to the Company's prospectus dated 30 June 2011 (the "Prospectus").

During the six months period ended 30 June 2016, the Company has not granted any share option under the Scheme. No share option under this Scheme remains unexercised as at 30 June 2016 (31 December 2015: Nil).

董事於競爭業務之權益

截至二零一六年六月三十日止期間及直至本報告日期，董事概不知悉董事、本公司管理層及彼等各自的聯繫人(定義見上市規則)之任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉任何該等人士已經或可能與本集團出現任何其他利益衝突。

購股權計劃

本公司設有一項根據唯一股東於二零一一年六月二十二日通過的決議案而採納及董事會於二零一一年六月二十二日透過決議案而採納之購股權計劃(「該計劃」)。該計劃旨在吸引、挽留及激勵有能力的參與者，為本集團的未來發展及擴展而奮鬥。該計劃可鼓勵參與者為達成本集團的目標而作出其最佳的表現，讓參與者分享本公司因其努力及貢獻而取得的成果。

該計劃由二零一一年六月二十二日起生效，除非經取消或修訂，否則該計劃將由採納日期起計十年內有效。該計劃的主要條款概要載於本公司日期為二零一一年六月三十日的招股章程(「招股章程」)附錄五「購股權計劃」一段內。

於二零一六年六月三十日止六個月期間，本公司並無根據計劃授出任何購股權。於二零一六年六月三十日，該計劃項下概無尚未行使之購股權(二零一五年十二月三十一日：無)。

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2016, the interests or short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, were as follows :

Name 姓名	Capacity 身份	Number of shares 股份數目	Percentage of Shareholding 股權百分比
Mr. Huang Yun (Note 2) 黃雲先生(附註2)	Interest in a controlled incorporation 於受控制法團之權益	39,352,500	5.12%

Note 1: All interest stated above represent long positions.

Note 2: China Medical Overseas Limited is owned by Mr. Ding Yifan and Mr. Huang Yun as to 90% and 10% equity interest respectively. Mr. Huang Yun was therefore deemed to have an interest in the shares which China Medical Overseas Limited was interested.

During the six months ended 30 June 2016, except for the placing of convertible bonds, as disclosed in the Company's announcements dated 25 May 2016 and 14 June 2016, there were no other debt securities issued by the Group at any time. Save as disclosed herein, as at 30 June 2016, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of 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 each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Appendix 10 of the Listing Rules, to be notified to the Company and the Stock.

董事及主要行政人員於本公司股份、相關股份及債權證之權益及淡倉

於二零一六年六月三十日，董事於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證內擁有記入根據證券及期貨條例第352條須存置之登記冊的權益或淡倉如下：

附註1：上述所有權益皆為好倉。

附註2：中華醫學海外有限公司由丁一凡先生及黃雲先生分別擁有90%及10%股權。因此，黃雲先生被視為於中華醫學海外有限公司擁有權益之股份中擁有權益。

於截至二零一六年六月三十日止六個月，除日期為二零一六年五月二十五日及二零一六年六月十四日之本公司公告所披露之配售可換股債券外，本集團於任何時間均無發行其他債務證券。除本文所披露者外，於二零一六年六月三十日，概無董事或本公司主要行政人員或其聯繫人於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份或債權證內擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何權益及淡倉(包括根據證券及期貨條例的條文彼等被當作或被視作擁有的權益或淡倉)；或根據證券及期貨條例第352條須記錄於該條所述的登記冊的任何權益及淡倉；或根據上市規則附錄十須知會本公司及聯交所的任何權益及淡倉。

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

As at 30 June 2016, so far as is known to the Directors, the following persons, (not being Directors or Chief Executive of the Company) had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be 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 any member of the Group.

Long position in the Shares of the Company

Name 姓名／名稱	Capacity 身份	Number of shares 股份數目	Percentage of Shareholding 股權百分比
China Medical Overseas Limited (formerly known as China Angel Investments Holding Limited) (Note 1) 中華醫學海外有限公司(前稱中國天使投資控股有限公司) (附註1)	Beneficial Owner 實益擁有人	201,503,082	51.20%
Ding Yifan (Note 1) 丁一凡(附註1)	Interest in a controlled incorporation 於受控制法團之權益	201,503,082	51.20%
Central China International Investment Company Limited (Note 2) 中州國際投資有限公司(附註2)	Person having a security interest in Shares 於股份擁有保證權益之人士	201,503,082	51.20%
Central China Securities Co. Ltd. (Note 2) 中原證券股份有限公司(附註2)	Interest in a controlled incorporation 於受控制法團之權益	201,503,082	51.20%
Central China International Financial Holdings Company Limited (Note 2) 中州國際金融控股有限公司(附註2)	Interest in a controlled incorporation 於受控制法團之權益	201,503,082	51.20%
Lyu Na (Note 3) 呂娜(附註3)	Interest of spouse 配偶權益	201,503,082	51.20%
Sheng Yuan Asset Management Limited (Note 4) 盛源資產管理有限公司(附註4)	Investment manager 投資經理	53,978,494	13.72%
Kwan Man Cheuk 關文焯	Beneficial Owner 實益擁有人	31,556,071	8.02%

主要股東及其他人士於本公司股份、相關股份及債權證之權益及淡倉

就董事所知，於二零一六年六月三十日，以下人士(並非本公司董事或主要行政人員)於股份或相關股份中擁有及被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉；或彼等直接或間接在附有可在任何情況下於本集團任何成員公司的股東大會上投票的權利的任何類別股本的面值中擁有5%或以上的權益。

於本公司股份之好倉

Note 1: China Medical Overseas Limited is owned by Mr. Ding Yifan and Mr. Huang Yun as to 90% and 10% equity interest respectively. Mr. Ding Yifan was therefore deemed to have an interest in the shares which China Medical Overseas Limited was interested.

Note 2: As at 30 June 2016, the 201,503,082 shares were subject to a share charge executed by China Medical Overseas Limited (as charger) in favour of Central China International Investment Company Limited (as chargee).

Note 3: Lyu Na, spouse of Mr. Ding Yifan, was deemed to be interested in the 201,503,082 shares in which Mr. Ding Yifan is interested for the purpose of the SFO.

Note 4: As at 14 June 2016, Sheng Yuan Asset Management Limited being an investment manager subscribed for certain interests in the Bonds which are convertible to 53,978,494 shares in the Company.

Save as disclosed above, as at 30 June 2016, the Directors were not aware of any person (other than the Directors as disclosed in the paragraph headed “Directors’ and Chief Executive’s Interest and Short Positions in Shares, Underlying Shares and Debentures of the Company” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5 % or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of any member of the Group.

UPDATE ON LITIGATION

On 8 January 2016 the Company received a Writ of Summons endorsed with a Statement of Claim (the “Statement of Claim”) dated 8 January 2016 (the “Writ”) issued by Fu Tat Credit Limited (the “Plaintiff”) as plaintiff in the High Court of the Court of First Instance of the Hong Kong Special Administrative Region, with Mr. Fong Man Kelvin (“Mr. Fong”) named as the 1st Defendant and the Company as the 2nd Defendant (subsequently becoming the fifth defendant pursuant to an amended Writ of Summons), in respect of an alleged loan arrangement made between the Plaintiff, Mr. Fong and the Company on 6 October 2014. At the relevant time, Mr. Fong was the controlling shareholder (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), the chairman and executive director of the Company. Mr. Fong disposed of all his interest in the Company on or about 29 May 2015 and resigned as the chairman, executive director, authorised representative and compliance officer of the Company on 27 July 2015. Mr. Fong, however, has remained as a director of two joint ventures of the Company.

附註1：中華醫學海外有限公司由丁一凡先生及黃雲先生分別擁有90%及10%股權。因此，丁一凡先生被視為於中華醫學海外有限公司擁有權益之股份中擁有權益。

附註2：在二零一六年六月三十日，該等201,503,082股股份被中華醫學海外有限公司(質押人)質押至中州國際投資有限公司(承押人)。

附註3：根據證券及期貨條例，丁一凡先生的配偶呂娜被視為於丁一凡先生擁有權益的201,503,082股股份中擁有權益。

附註4：於二零一六年六月十四日，投資經理盛源資產管理有限公司認購若干可轉換成53,978,494股本公司股份的債券權益。

除上文所披露者外，就董事所知，於二零一六年六月三十日，概無任何人士(上文「董事及主要行政人員於本公司股份、相關股份及債權證之權益及淡倉」一段所披露的董事除外)擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附有可在任何情況下於本集團任何成員公司的股東大會上投票的權利的任何類別股本的面值5%或以上的權益。

法律訴訟之最近進展

於二零一六年一月八日，本公司收到一份日期為二零一六年一月八日之註有申索陳述書(「申索陳述書」)之傳訊令狀(「令狀」)，為富達信貸有限公司(「原告」，作為原告)在香港特別行政區高等法院原訟法庭就方文先生(「方先生」，作為第一被告)及本公司(作為第二被告)(其後根據經修訂傳訊令狀成為第五被告)發出，內容有關原告、方先生及本公司於二零一四年十月六日作出之一項指稱貸款安排。於有關時間，方先生為本公司控股股東(定義見聯交所證券上市規則(「上市規則」))、主席兼執行董事。方先生於二零一五年五月二十九日或前後出售其於本公司之所有權益，並於二零一五年七月二十七日辭任本公司主席、執行董事、授權代表及合規主任。然而，方先生仍為本公司兩間合營企業之董事。

It was stated in the Statement of Claim that the Plaintiff, as a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong), had entered into a loan agreement with Mr. Fong as the borrower and the Company as the guarantor on 6 October 2014 in respect of a sum of HK\$3,500,000 (the "Loan"). Under the Statement of Claim, the Plaintiff claims against Mr. Fong and the Company for: (1) a sum of HK\$2,092,871.02; (2) further interest accrued on the outstanding loan principal of HK\$1,961,932.21 at the rate of 42% per annum from 6 January 2016 until payment in full; (3) further or other relief; and (4) costs of the proceedings on full indemnity basis.

As stated in the announcement of the Company dated 12 January 2016, the Company denies and disputes the allegations made by the Plaintiff against the Company in the Statement of Claim. The Company has never authorised the provision of the alleged guarantee to the Plaintiff or anyone over the Loan nor has the Company ever passed any resolution to authorise the provision of the alleged guarantee over the Loan allegedly advanced by the Plaintiff to Mr. Fong.

In respect of the above mentioned lawsuit, the Group has engaged external legal advisor for further legal procedures. The case is in litigation procedure currently. The management will continue to monitor the event and will make further announcements at due time to provide latest updates on the litigation to investors of the Group.

By Order of the Board
Legend Strategy International Holdings Group Company Limited
Huang Yun
Executive Director

Hong Kong, 26 August 2016

申索陳述書中註明，原告（作為香港法例第163章放債人條例項下之持牌放債人）已於二零一四年十月六日與方先生（作為借款人）及本公司（作為擔保人）就有關金額3,500,000港元（「該貸款」）訂立一份貸款協議。根據申索陳述書，原告向方先生及本公司申索：(1) 金額2,092,871.02港元；(2) 自二零一六年一月六日起直至悉數支付期間按年利率42%計尚未償還的貸款本金金額1,961,932.21港元之應計進一步利息；(3) 進一步或其他補償；及(4) 悉數彌償訴訟費。

誠如本公司二零一六年一月十二日之公告所述，本公司否認及抗辯原告於申索陳述書中針對本公司所作指控。本公司從未授權就該貸款向原告或任何人士提供聲稱擔保，且本公司亦無通過任何決議案授權就原告墊付予方先生之聲稱貸款提供聲稱擔保。

就以上案件，本集團已聘請了外部法律顧問以進行進一步的法律程序。目前，此案在進行訴訟程序。管理層將會繼續跟進事件，並將於適當時刊發進一步公告以向本集團投資者提供上述法律訴訟之最新進展情況。

承董事會命
枋濟國際集團控股有限公司
黃雲
執行董事

香港，二零一六年八月二十六日



Legend Strategy International Holdings Group Company Limited

枋濬國際集團控股有限公司

www.legend-strategy.com