



Dragonite International Limited  
叁龍國際有限公司

*(Incorporated in the Cayman Islands with limited liability)*  
(於開曼群島註冊成立之有限公司)

*(Stock Code : 329)*  
(股份代號: 329)

INTERIM REPORT 中期報告

2016

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## Corporate Information

### 公司資料

#### BOARD OF DIRECTORS

##### Executive Directors

Mr. Lee Kien Leong (*Chairman*)

Ms. Chan Mee Sze (*Managing Director*)

Mr. Lam Suk Ping

##### Independent Non-executive Directors

Mr. Lam Man Sum, Albert

Mr. Chang Tat Joel

Mr. Wong Stacey Martin

#### AUDIT COMMITTEE

Mr. Chang Tat Joel

Mr. Lam Man Sum, Albert

Mr. Wong Stacey Martin

#### COMPANY SECRETARY

Ms. Chan Mee Sze

#### AUDITOR

Deloitte Touche Tohmatsu

#### REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

#### 董事會

##### 執行董事

李健龍先生 (主席)

陳美思女士 (董事總經理)

林叔平先生

##### 獨立非執行董事

林聞深先生

鄭達祖先生

黃偉誠先生

#### 審核委員會

鄭達祖先生

林聞深先生

黃偉誠先生

#### 公司秘書

陳美思女士

#### 核數師

德勤 • 關黃陳方會計師行

#### 註冊辦事處

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

**HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA ("HONG KONG")**

Suite 3205, 32/F., Tower 6, The Gateway  
9 Canton Road, Tsim Sha Tsui, Kowloon  
Hong Kong

**中華人民共和國香港特別行政區  
(「香港」)總辦事處及主要營業地點**

香港  
九龍尖沙咀廣東道9號  
港威大廈6座32樓3205室

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

**股份過戶登記總處**

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, Hopewell Centre  
183 Queen's Road East  
Hong Kong

**香港股份過戶登記分處**

香港中央證券登記有限公司  
香港  
皇后大道東183號  
合和中心1712-1716室

**PRINCIPAL BANKERS**

*in Hong Kong:*

The Hong Kong and Shanghai Banking Corporation Limited

**主要往來銀行**

*於香港：*

香港上海滙豐銀行有限公司

*in the PRC:*

China Construction Bank  
Shenyang Economic and Technology Development Zone Branch

*於中國：*

中國建設銀行  
瀋陽經濟技術開發區分行

**COMPANY WEBSITE**

[www.dragonite.com.hk](http://www.dragonite.com.hk)

**公司網址**

[www.dragonite.com.hk](http://www.dragonite.com.hk)

**STOCK CODE**

0329

**股份代號**

0329

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

		Six months ended 截至下列日期止六個月	
		30.6.2016	30.6.2015
		二零一六年	二零一五年
		六月三十日	六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Turnover	營業額		
Sales of goods	銷售貨品	12,464	13,135
Cost of goods sold	銷貨成本	(15,023)	(8,348)
		(2,559)	4,787
Dividend income	股息收入	7,604	—
Interest income from loans receivable	應收貸款之利息收入	5,751	1,053
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益的金融資產 之公平值變動	(42)	85,561
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產 之利息收入	496	—
		11,250	91,401
Other income	其他收入	202	4,663
Other gains and losses	其他盈虧	(168,080)	(346)
Distribution costs	經銷費用	(2,594)	(3,922)
Administrative expenses	行政支出	(9,759)	(9,833)
Other expenses	其他支出	(2,425)	(2,817)
Finance costs	財務費用	(99)	—
(Loss) Profit before tax	稅前(虧損)溢利	(171,505)	79,146
Income tax expense	所得稅支出	(212)	(14,386)

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

			Six months ended 截至下列日期止六個月	
		NOTES	30.6.2016	30.6.2015
		附註	二零一六年 六月三十日	二零一五年 六月三十日
			HK\$'000	HK\$'000
			千港元	千港元
			(unaudited)	(unaudited)
			(未經審核)	(未經審核)
(Loss) Profit for the period	期內(虧損)溢利	6	(171,717)	64,760
Other comprehensive (expense) income	其他全面(支出)收入			
Items that may be subsequently reclassified to profit or loss:	其後可能會重新分類至損益之項目：			
Fair value change in available-for-sale investments	可供出售投資公平值變動		(66,865)	1,264
Exchange differences arising on translation of foreign operation	換算外國業務產生之匯兌差額		(1,583)	411
			<u>(68,448)</u>	<u>1,675</u>
Total comprehensive (expense) income for the period	期內全面(支出)收入總額		<u>(240,165)</u>	<u>66,435</u>
(Loss) Earnings per share	每股(虧損)盈利	8		
Basic	基本		<u>HK(16.2) cents港仙</u>	<u>HK6.1 cents港仙</u>

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

At 30 June 2016 於二零一六年六月三十日

		NOTES 附註	30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2015 二零一五年 十二月三十一日 H\$'000 千港元 (audited) (經審核)
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	9	22,947	24,541
Available-for-sale investments	可供出售投資	10	326,154	560,585
Prepaid lease payments	預付租賃款項		2,215	2,307
			<b>351,316</b>	<b>587,433</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		9,394	16,266
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	11	7,562	—
Trade receivables	應收貿易賬項	12	646	1,790
Loans receivable	應收貸款	13	239,611	142,714
Deposits, prepayment and other receivables	按金、預付款項及其他應收賬項		2,385	2,296
Prepaid lease payments	預付租賃款項		82	82
Bank balances and cash	銀行結餘及現金		74,465	180,342
			<b>334,145</b>	<b>343,490</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付貿易賬項	14	286	949
Accruals and other payables	應計款項及其他應付賬項		25,433	29,969
Taxation payable	應付稅項		—	98
Borrowing - due within one year	借款—一年內到期	15	10,000	10,000
			<b>35,719</b>	<b>41,016</b>
Net current assets	流動資產淨值		<b>298,426</b>	<b>302,474</b>
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>649,742</b>	<b>889,907</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	16	10,598	10,598
Reserves	儲備		639,144	879,309
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>649,742</b>	<b>889,907</b>

# Condensed Consolidated Statement of Changes In Equity

## 簡明綜合權益變動表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

		Share capital	Share premium account	Translation reserve	Non- distributable reserve	Special reserve	Investment revaluation reserves	Retained earnings	Attributable to owners of the Company 本公司 擁有人 應佔權益
		股本	股份 溢價賬	匯兌儲備	非供分派 儲備	特別儲備	投資 重估儲備	保留盈利	應佔權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note a) (附註a)	(note b) (附註b)			
At 1 January 2015 (audited)	於二零一五年一月一日(經審核)	10,598	217,190	61,053	24,737	3,142	—	505,862	822,582
Profit for the period	期內溢利	—	—	—	—	—	—	64,760	64,760
Other comprehensive income for the period	期內其他全面收入	—	—	411	—	—	1,264	—	1,675
Total comprehensive income for the period	期內全面收入總額	—	—	411	—	—	1,264	64,760	66,435
At 30 June 2015 (unaudited)	於二零一五年六月三十日(未經審核)	10,598	217,190	61,464	24,737	3,142	1,264	570,622	889,017
At 1 January 2016 (audited)	於二零一六年一月一日(經審核)	10,598	217,190	59,343	24,737	3,142	35,666	539,231	889,907
Loss for the period	期內虧損	—	—	—	—	—	—	(171,717)	(171,717)
Other comprehensive expense for the period	期內其他全面支出	—	—	(1,583)	—	—	(66,865)	—	(68,448)
Total comprehensive expense for the period	期內全面支出總額	—	—	(1,583)	—	—	(66,865)	(171,717)	(240,165)
At 30 June 2016 (unaudited)	於二零一六年六月三十日(未經審核)	10,598	217,190	57,760	24,737	3,142	(31,199)	367,514	649,742

Notes:

- (a) The non-distributable reserve represents statutory reserves appropriated from profit after tax of the Company's subsidiary in The People's Republic of China ("PRC") under the PRC laws and regulations.
- (b) The special reserve of the Group represents reserve arising pursuant to a group reorganisation that was effected in during the year ended 31 December 2000.

附註：

- (a) 非供分派儲備指本公司於中華人民共和國（「中國」）之附屬公司根據中國法律及法規從除稅後溢利中撥出之法定儲備。
- (b) 本集團的特別儲備指集團重組於截至二零零零年十二月三十一日止年度生效時產生之儲備。



# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

		Six months ended 截至下列日期止六個月	
		30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	30.6.2015 二零一五年 六月三十日 H\$'000 千港元 (unaudited) (未經審核)
Net cash (used in) from operating activities	經營活動(所用)所得現金淨額	(104,868)	95,048
Investing activities	投資活動		
Purchase of property, plant and equipment	購入物業、廠房及設備	(7)	(310)
Disposal of subsidiaries	出售附屬公司	17	997
Purchase of available-for-sale investments	購入可供出售投資	—	(30,000)
Net cash used in investing activities	投資活動所用現金淨額	(7)	(29,313)
Financing activities	融資活動		
Borrowing raised	籌得借款	—	10,000
Interest paid	已付利息	(99)	—
Cash (used in) from financing activities	融資活動(所用)所得現金	(99)	10,000
Net (decrease) increase in cash and cash equivalents	現金及現金等值項目 (減少)增加淨額	(104,974)	75,735
Cash and cash equivalents at beginning of the period	期初之現金及 現金等值項目	180,342	83,697
Effect of foreign exchange rate changes	匯率變動之影響	(903)	135
Cash and cash equivalents at end of the period	期末之現金及現金等值項目	74,465	159,567
Analysis of the balances of cash and cash equivalents	現金及現金等值項目之 結餘分析		
Bank balances and cash	銀行結餘及現金	74,465	159,567

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 1. GENERAL INFORMATION

Dragonite International Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company’s substantial shareholder is Goldfame Luck Limited (“Goldfame”), a limited company incorporated in the British Virgin Islands. Goldfame is ultimately controlled by Mr. Li Gen Xiong.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in production and sales of a series of health care products, pharmaceutical products, securities trading and investments, money lending and trading of wines in Hong Kong.

The functional currency of the Company is Hong Kong dollars (“HK\$”).

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015.

### 1. 一般資料

叁龍國際有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司主要股東為Goldfame Luck Limited(「Goldfame」)，於英屬處女群島註冊成立之有限公司，由李根雄先生最終控制。

本公司為一間投資控股公司，其附屬公司之主要業務為生產及銷售一系列保健產品、醫藥產品，證券買賣與投資、於香港進行貸款及葡萄酒買賣。

本公司的功能貨幣為港元(「港元」)。

### 2. 主要會計政策

簡明綜合財務報表乃根據歷史成本法編製，惟按公平值計量之若干金融工具除外。

除下文所述者外，截至二零一六年六月三十日止六個月的簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至二零一五年十二月三十一日止年度之年度財務報表所依循者相同。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 11 香港財務報告準則第11號(修訂本)	Accounting for acquisitions of interests in joint operations 收購合營業務權益的會計處理
Amendments to HKAS 1 香港會計準則第1號(修訂本)	Disclosure initiative 披露計劃
Amendments to HKAS 16 and HKAS 38 香港會計準則第16號及 香港會計準則第38號(修訂本)	Clarification of acceptable methods of depreciation and amortisation 釐清折舊及攤銷之可按納方法
Amendments to HKAS 16 and HKAS 41 香港會計準則第16號及 香港會計準則第41號(修訂本)	Agriculture: Bearer plants 農業：生產性植物
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 香港財務報告準則第10號、 香港財務報告準則第12號及 香港會計準則第28號(修訂本)	Investment entities: Applying the consolidation exception 投資實體：應用綜合入賬之例外情況
Amendments to HKFRSs 香港財務報告準則(修訂本)	Annual improvements to HKFRSs 2012 - 2014 cycle 香港財務報告準則二零一二年至二零一四年週期之年度改進

### 3. SEGMENT INFORMATION

The Group's executive directors are the chief operating decision makers as they collectively make strategic decisions towards the Group's operations based on nature of business.

The Group's reportable and operating segments under HKFRS 8 are therefore as follows:

- (a) health care products, which are mainly represented by ginseng products
- (b) pharmaceutical products, which are mainly represented by licensed medicines
- (c) securities trading and investments
- (d) money lending
- (e) trading of wine

### 2. 主要會計政策(續)

於本中期期間，本集團已首次應用以下與編製本集團簡明綜合財務報表相關之由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)修訂本：

### 3. 分類資料

本集團執行董事共同根據業務性質對本集團營運作出策略決定，故彼等為主要經營決策者。

本集團根據香港財務報告準則第8號之呈報及營運分類如下：

- (a) 保健產品，主要為人參產品
- (b) 醫藥產品，主要為持牌藥物
- (c) 證券買賣及投資
- (d) 貸款
- (e) 葡萄酒買賣

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 3. SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2016 (unaudited)

### 3. 分類資料(續)

截至二零一六年六月三十日止六個月(未經審核)

		Health care products	Pharmaceutical products	Securities trading and investments 證券買賣及 投資	Money lending 貸款	Trading of wine 葡萄酒買賣	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment turnover	分類營業額						
Sales of goods	銷售貨品	240	9,356	—	—	2,868	12,464
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益的金融資產 之公平值變動	—	—	(42)	—	—	(42)
Dividend income	股息收入	—	—	7,604	—	—	7,604
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產 之利息收入	—	—	496	—	—	496
Interest income from loans receivable	應收貸款之利息收入	—	—	—	5,751	—	5,751
		240	9,356	8,058	5,751	2,868	26,273
Segment (loss) profit	分類(虧損)溢利	(11,359)	842	(160,003)	5,732	430	(164,358)
Other income	其他收入						202
Unallocated corporate and other expenses	未分配公司及其他支出						(7,250)
Finance costs	財務費用						(99)
Loss before taxation	稅前虧損						(171,505)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 3. SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2015 (unaudited)

### 3. 分類資料(續)

截至二零一五年六月三十日止六個月(未經審核)

		Health care products	Pharmaceutical products	Securities trading and investments 證券買賣及投資	Money lending	Trading of wine	Consolidated
		保健產品	醫藥產品	投資	貸款	葡萄酒買賣	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>Segment turnover</b>	<b>分類營業額</b>						
Sales of goods	銷售貨品	2,217	10,131	—	—	787	13,135
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益的金融資產之公平值變動	—	—	85,561	—	—	85,561
Interest income from loans receivable	應收貸款之利息收入	—	—	—	1,053	—	1,053
		2,217	10,131	85,561	1,053	787	99,749
<b>Segment (loss) profit</b>	<b>分類(虧損)溢利</b>	(6,068)	1,945	84,698	780	(121)	81,234
Other income	其他收入						4,663
Unallocated corporate and other expenses	未分配公司及 其他支出						(6,751)
Profit before taxation	稅前溢利						79,146

Segment turnover includes proceeds from sales of goods, change in fair value of financial assets at fair value through profit or loss, dividend income, interest income from financial assets at fair value through profit or loss and interest income from loans receivable.

Segment (loss) profit represents the loss from/profit earned by each segment without allocation of other income, finance costs, unallocated corporate expenses and other expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

分類營業額包括銷售貨物所得款項、按公平值計入損益之金融資產的公平值變動、股息收入、按公平值計入損益之金融資產的利息收入及應收貸款之利息收入。

分類(虧損)溢利指各分類產生之虧損／溢利，惟並無計入其他收入、財務費用、未分配公司及其他支出。此乃向主要經營決策者呈報之計量方式，以便分配資源及評估表現。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 4. OTHER GAINS AND LOSSES

### 4. 其他盈虧

		Six months ended 截至下列日期止六個月	
		30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	30.6.2015 二零一五年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)
Impairment losses on available-for-sale investments (note 10)	可供出售投資減值虧損 (附註 10)	(167,566)	—
Allowance for bad and doubtful debts	呆壞賬撥備	(496)	(1,270)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(18)	—
Gain on disposal of subsidiaries (note 17)	出售附屬公司之收益(附註 17)	—	924
		<b>(168,080)</b>	<b>(346)</b>

### 5. INCOME TAX EXPENSE

### 5. 所得稅支出

		Six months ended 截至下列日期止六個月	
		30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	30.6.2015 二零一五年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)
Hong Kong Profits Tax	香港利得稅	—	15,063
PRC Enterprise Income Tax	中國企業所得稅	212	269
Deferred tax credit	遞延稅項抵免	—	(946)
		<b>212</b>	<b>14,386</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 5. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

No Hong Kong Profits Tax was payable by the Company or its subsidiaries operated in Hong Kong for the six months ended 30 June 2016 since they had no assessable profits.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

### 6. (LOSS) PROFIT FOR THE PERIOD

### 5. 所得稅支出(續)

香港利得稅按估計應課稅溢利之16.5%計算得出。

本公司或其香港附屬公司並無應課稅溢利，故截至二零一六年六月三十日止六個月並無任何應付香港利得稅。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之所得稅率為25%。

### 6. 期內(虧損)溢利

		Six months ended	
		截至下列日期止六個月	
		30.6.2016	30.6.2015
		二零一六年	二零一五年
		六月三十日	六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
(Loss) Profit for the period has been arrived at after charging (crediting):	期內(虧損)溢利已扣除(計入)下列項目：		
Amortisation of prepaid lease payments	預付租賃款項之攤銷	40	43
Cost of inventories recognised as an expense (Note)	確認為開支之存貨成本(附註)	15,023	8,348
Staff costs (including directors' emoluments)	員工開支(包括董事酬金)	4,718	7,529
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,492	1,339
Interest income from bank balances (included in other income)	銀行結餘之利息收入(包括在其他收入內)	(9)	(72)
Imputed interest income from deferred consideration (included in other income)	遞延代價之估算利息收入(包括在其他收入內)	—	(4,591)

Note: An allowance for obsolescence inventories of approximately HK\$6,524,000 (six months ended 30 June 2015: approximately HK\$1,925,000) included in the cost of inventories recognised as an expense which representing certain slow-moving finished goods regarding health care products.

附註：滯銷存貨撥備約6,524,000港元(截至二零一五年六月三十日止六個月：約1,925,000港元)計入確認為開支之存貨成本，即有關保健產品之若干滯銷成品。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 7. DIVIDEND

No interim dividend was declared, proposed or paid for both six months ended 30 June 2016 and 2015.

### 8. (LOSS) EARNING PER SHARE

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

(Loss) Earnings

### 7. 股息

截至二零一六年及二零一五年六月三十日止六個月均無宣派、建議派付或派付中期股息。

### 8. 每股(虧損)盈利

本公司擁有人應佔每股基本(虧損)盈利乃根據以下數據計算：

(虧損)盈利

		Six months ended	
		截至下列日期止六個月	
		30.6.2016	30.6.2015
		二零一六年	二零一五年
		六月三十日	六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
(Loss) Earnings for the purpose of basic (loss) earnings per share ((loss) profit for the period attributable to owners of the Company)	用作計算每股基本(虧損)盈利之(虧損)盈利(本公司擁有人應佔期內(虧損)溢利)	(171,717)	64,760



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 8. (LOSS) EARNING PER SHARE (Continued)

Number of shares

		Six months ended	
		截至下列日期止六個月	
		30.6.2016	30.6.2015
		二零一六年	二零一五年
		六月三十日	六月三十日
		'000	'000
		千股	千股
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	用作計算每股基本(虧損)盈利之普通股加權平均數	1,059,750	1,059,750

No separate diluted (loss) earnings per share information has been presented as there were no potential ordinary shares outstanding for the both periods.

### 9. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, additions to the Group's property, plant and equipment mounted to approximately HK\$7,000 (six months ended 30 June 2015: approximately HK\$310,000).

### 8. 每股(虧損)盈利(續)

股份數目

		Six months ended	
		截至下列日期止六個月	
		30.6.2016	30.6.2015
		二零一六年	二零一五年
		六月三十日	六月三十日
		'000	'000
		千股	千股
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	用作計算每股基本(虧損)盈利之普通股加權平均數	1,059,750	1,059,750

由於期內均無發行在外之潛在普通股，故並無呈列每股攤薄(虧損)盈利資料。

### 9. 物業、廠房及設備的變動

截至二零一六年六月三十日止六個月期間，本集團物業、廠房及設備之添置約為7,000港元(截至二零一五年六月三十日止六個月：約310,000港元)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 10. AVAILABLE-FOR-SALE INVESTMENTS

### 10. 可供出售投資

		30.6.2016	31.12.2015
		二零一六年	二零一五年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Available-for-sale investments include:	可供出售投資包括：		
Unlisted shares in overseas, at cost	海外非上市股份，按成本減累計		
less accumulated impairment loss (note a)	減值虧損(附註a)	149,934	317,500
Unlisted shares in overseas, at fair value	海外非上市股份，按公平值	150,788	216,700
Unlisted investment funds, at fair value (note b)	非上市投資基金，按公平值(附註b)	25,432	26,385
		<b>326,154</b>	560,585

Notes:

- (a) Unlisted equity securities represent investments in unlisted securities issued by two private entities. The business of these companies is investments holding. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

During the six months ended 30 June 2016, one of the Group invested private entities incurred significant losses due to the diminution of the value of this entity's investment portfolio. Accordingly, the Group recognised impairment loss of approximately HK\$126,074,000 to profit or loss for the six months ended 30 June 2016 in respect of the investment in this entity with reference to the latest financial information of this entity available to the Group. As at 30 June 2016, the Group has shareholding of 8.63% (31 December 2015: 8.89%) and the carrying amount of the investment is approximately HK\$11,426,000 (31 December 2015: HK\$137,500,000).

附註：

- (a) 非上市股本證券指投資由兩個私人實體發行的非上市證券。該等公司均從事投資控股業務。非上市股本證券於報告期末按成本減減值計量。此乃由於合理公平值估計範圍太大，以致本公司董事認為有關公平值無法可靠計量。

截至二零一六年六月三十日止六個月期間，由於本集團所投資的私人實體之一的投資組合價值下降，導致產生重大虧損，本集團因此參考可獲得之該實體最近期財務資料就於該實體之投資於截至二零一六年六月三十日止六個月之損益確認減值虧損約126,074,000港元。於二零一六年六月三十日，本集團的持股比例為8.63%（二零一五年十二月三十一日：8.89%），投資賬面值約為11,426,000港元（二零一五年十二月三十一日：137,500,000港元）。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 10. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes: (Continued)

During the six months ended 30 June 2016, the management reviews another private entity's latest financial position, observable data such as net asset value per share and consequently objective evidence of impairment was identified as at 30 June 2016. Accordingly, the directors of the Company consider impairment of approximately HK\$41,492,000 was recognised during the six months ended 30 June 2016. As at 30 June 2016, the Group has shareholding of 5.71% (31 December 2015: 6.09%) and carrying amount of approximately HK\$138,508,000 (31 December 2015: HK\$180,000,000).

- (b) As at 30 June 2016 and 31 December 2015, the unlisted investment funds with carrying amount of approximately HK\$25,432,000 and approximately HK\$26,385,000 respectively were pledged to a bank to secure the borrowing as disclosed in note 15.

### 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 10. 可供出售投資(續)

附註：(續)

截至二零一六年六月三十日止六個月期間，管理層檢討另一私人實體的最新財務狀況、可觀察數據(如每股資產淨值)，發現二零一六年六月三十日有客觀減值證據。因此，本公司董事認為應確認截至二零一六年六月三十日止六個月期間的減值約41,492,000港元。於二零一六年六月三十日，本集團的持股比例為5.71%(二零一五年十二月三十一日：6.09%)，賬面值約為138,508,000港元(二零一五年十二月三十一日：180,000,000港元)。

- (b) 於二零一六年六月三十日及二零一五年十二月三十一日，賬面值約25,432,000港元及約26,385,000港元的非上市投資基金分別質押予銀行作為附註15所披露借貸的擔保。

### 11. 按公平值計入損益的金融資產

	30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Convertible notes 可換股票據	7,562	—

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## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

During the six months ended 30 June 2016, one of the investees of the Group declared distribution in specie of the convertible notes issued by a company listed in the Stock Exchange (the "Distribution"). Prior to the Distribution, the investee held principal amount of HK\$230,000,000 of the convertible notes. The Group is entitled to receive 8.63% of the convertible notes, which is determined by reference to the Group's shareholding in the investee as at 22 April 2016.

The Distribution was completed on 25 April 2016. The Group designated the entire convertible notes received from the Distribution as financial assets designated at fair value through profit and loss at initial recognition. The fair value of the convertible notes with principal amount of approximately HK\$19,855,000 held by the Group was determined by reference to a valuation carried out on the distribution date by an independent qualified valuer, Asset Appraisal Limited, which is not connected with the Group.

The fair value of the debt component of the convertible notes was determined based on the present value of the estimated future cash flows discounted at the prevailing market rate of interest of similar instruments. The fair value of the embedded option was calculated using the Binomial Option Pricing Model. The inputs into the valuation were as follows:

		At 30 June 2016 於二零一六年 六月三十日	At date of issue 於發行日期
Share price	股價	HK\$0.1290 港元	HK\$0.1150 港元
Conversion price	轉換價	HK\$0.7455 港元	HK\$0.7455 港元
Risk free rate (note a)	無風險利率(附註a)	0.4847%	0.7664%
Expected life (note b)	預期年期(附註b)	2.5041 years 年	2.6849 years 年
Expected volatility (note c)	預期波幅(附註c)	82.9020%	78.2800%
Discount rate	折現率	69.9205%	67.2394%

### II. 按公平值計入損益的金融資產(續)

截至二零一六年六月三十日止六個月期間，本集團投資公司之一實物宣派由聯交所上市公司發行的可換股票據(「分派」)。分派前，投資公司持有本金額230,000,000港元的可換股票據。本集團可獲8.63%的可換股票據(參考本集團二零一六年四月二十二日於投資公司的持股比例釐定)。

分派於二零一六年四月二十五日完成。本集團於初步確認時將分派所得可換股票據全部指定為指定按公平值計入損益的金融資產。本集團所持本金額約19,855,000港元之可換股票據的公平值乃參考與本集團概無關連的獨立合資格估值師中誠達資產評估顧問有限公司於分派當日所作估值釐定。

可換股票據之債務部分的公平值根據以類似工具現行市場利率貼現的估計未來現金流量的現值釐定。嵌入式期權之公平值使用二項式期權定價模式計算。估值之參數如下：

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

Notes:

- (a) Risk free rate is determined by reference to the yield of the Hong Kong Exchange Fund Notes with duration similar to the expected life of the notes.
- (b) Expected life is the expected remaining life of the notes.
- (c) Expected volatility is estimated by calculating the historical daily share price volatility of the stock price.

The fair value of the convertible notes distributed to the Group as at 25 April 2016 was approximately HK\$7,604,000 and was recognised as financial assets at fair value through profit or loss with the equivalent amount credited to profit or loss as dividend income. As at six months ended 30 June 2016, the fair value of the convertible notes was approximately HK\$7,562,000 with a fair value loss of approximately HK\$42,000 charged to profit or loss.

### 12. TRADE RECEIVABLES

The Group allows an average credit period from 60 to 270 days to its trade customers. The following is an aged analysis of trade receivables net of allowance of doubtful debts presented based on invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

		30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 to 60 days	0 - 60日	566	1,302
61 to 90 days	61 - 90日	—	24
91 to 180 days	91 - 180日	—	273
181 to 270 days	181 - 270日	80	191
		<b>646</b>	<b>1,790</b>

### 11. 按公平值計入損益的金融資產(續)

附註：

- (a) 無風險利率乃經參考年期與票據預期年期類似的香港外匯基金票據的收益釐定。
- (b) 預期年期指票據的預期剩餘年期。
- (c) 預期波幅乃經計算股價的每日歷史股價波幅而作出估計。

本集團獲分派的可換股票據於二零一六年四月二十五日的公平值約為7,604,000港元，確認為按公平值計入損益的金融資產，並將與股息收入同等的金額計入損益。截至二零一六年六月三十日止六個月，可換股票據之公平值約為7,562,000港元，其中公平值虧損約42,000港元計入損益。

### 12. 應收貿易賬項

本集團授予其貿易客戶之平均信貸期介乎60日至270日不等。以下為於報告期末按接近各收益確認日期之發票日期呈列的應收貿易賬項(扣除呆賬撥備)之賬齡分析：

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## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 13. LOANS RECEIVABLE

Unsecured fixed-rate loans receivable	無抵押定息應收貸款
Unsecured floating-rate loans receivable	無抵押浮息應收貸款
	<b>239,611</b>

The loans receivable had contractual maturity dates between 3 months to a year (31 December 2015: 6 months to a year) as at 30 June 2016. The interest rate for the floating-rate loans receivable was 0.75% plus the best lending rate quoted by a Hong Kong bank, i.e. an average effective interest rate of 5.75% per annum as at 30 June 2016 (31 December 2015: 5.75%). The interest rate for the fixed-rate loans receivables was 5% to 15% (31 December 2015: 5% to 8%) per annum as at 30 June 2016.

The amount granted to borrowers depends on management's assessment of credit risk of the customers on background check and repayment abilities. Background check will be performed on individual borrowers for their profession, their earnings or salaries and working position and on corporate borrowers for their historical and forecasted earnings and cash flows. The Group has policy for allowance of bad and doubtful debts which is based on the evaluation of collectability and aging analysis of accounts and on management's judgment, including the current creditworthiness and the past collection history of each borrower. In determining the recoverability of the loans receivable, the Group considers any change in the credit quality of the loans receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, the directors of the Company believe that the loans are granted to borrowers with suitable high net worth individuals and corporate borrowers which are financially healthy. Therefore, no credit provision is required.

### 13. 應收貸款

30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
139,611	42,714
100,000	100,000
<b>239,611</b>	142,714

於二零一六年六月三十日，應收貸款之合約到期日介乎三個月至一年(二零一五年十二月三十一日：六個月至一年)。於二零一六年六月三十日，浮息應收貸款之年利率為0.75%加香港銀行所報的最優惠利率(即年利率5.75%的平均實際利率(二零一五年十二月三十一日：5.75%))。於二零一六年六月三十日，定息應收貸款之年利率介乎5%至15%(二零一五年十二月三十一日：5%至8%)。

授予借款人之金額視乎管理層對客戶背景審查及還款能力評估信貸風險而定。管理層對個人借款人的專業、收入或薪金及職位和對公司借款人的歷史及預測收入與現金流量進行背景審查。本集團根據賬目之可收回性評估、賬齡分析以及管理層判斷(包括每名借款人之現時信譽及過往收款記錄)，設有呆壞賬政策。於釐定應收貸款之可收回性時，本集團考慮自信貸首次授出日期至報告期末應收貸款信貸質素之任何變動。因此，本公司董事相信，貸款授予具適當高財富淨值的個人借款人及財務穩健的公司借款人，因此毋須作出信貸撥備。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 13. LOANS RECEIVABLE (Continued)

There is no loans receivable which was past due but not impaired at the end of reporting period and the directors of the Company consider that no impairment was necessary.

### 14. TRADE PAYABLES

Trade payables principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 30 to 60 days.

The aging analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

### 13. 應收貸款(續)

於報告期末並無應收貸款已逾期惟尚未減值，本公司董事認為毋須減值。

### 14. 應付貿易賬項

應付貿易賬項主要包括貿易採購之未償還金額。貿易採購之一般信貸期為30至60日。

以下為按發票日期呈列的報告期末之應付貿易賬項之賬齡分析：

		30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 to 30 days	0 - 30日	54	711
31 to 60 days	31 - 60日	—	—
61 to 90 days	61 - 90日	—	—
Over 90 days but less than 1 year	超過90日但少於1年	—	—
Over 1 year	超過1年	232	238
		<b>286</b>	<b>949</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 15. BORROWING

### 15. 借貸

	30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Bank borrowing - secured	10,000	10,000

The bank borrowing carries floating rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 1.5% per annum, i.e. effective interest rate of 1.97% (31 December 2015: 1.89%) per annum. The bank borrowing is secured by the Group's interests in unlisted investment funds classified as available-for-sale investments of approximately HK\$25,432,000 (31 December 2015: approximately HK\$26,385,000).

銀行借貸之浮動利率為香港銀行同業拆息(「香港銀行同業拆息」)加1.5%年利率(即年利率1.97%的實際利率(二零一五年十二月三十一日: 1.89%))。銀行借貸由本集團所持分類為可供出售投資約25,432,000港元(二零一五年十二月三十一日: 約26,385,000港元)的非上市投資基金的權益擔保。

### 16. SHARE CAPITAL

### 16. 股本

	Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each		
Authorised:	法定:	
At 1 January 2016 and 30 June 2016	於二零一六年一月一日及 二零一六年六月三十日	100,000,000 1,000,000
Issued:	已發行:	
At 1 January 2016 and 30 June 2016	於二零一六年一月一日及 二零一六年六月三十日	1,059,750 10,598



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 17. DISPOSAL OF SUBSIDIARIES

#### Disposal of Imagine Sky Group

During the six months ended 30 June 2015, Great Merit Holding Limited, a wholly-owned subsidiary of the Company, disposed of the entire issued share capital of Imagine Sky Limited and its subsidiary (collectively referred to as the "Imagine Sky Group") at a consideration of HK\$1,000,000 by cash to an independent third party. The net assets of Imagine Sky Group on 31 March 2015 were as follows:

### 17. 出售附屬公司

#### 出售 Imagine Sky Group

截至二零一五年六月三十日期間，Great Merit Holdings Limited (本公司全資擁有之附屬公司) 以現金代價 1,000,000 港元出售 Imagine Sky Limited 及其附屬公司 (統稱為「Imagine Sky 集團」) 的全部已發行股本予一名獨立第三方。Imagine Sky 集團於二零一五年三月三十一日之資產淨值如下：

		HK\$'000 千港元
Net assets disposed of:	已售資產淨值：	
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	38,015
Other receivables	其他應收賬項	6,566
Bank balances and cash	銀行結餘及現金	3
Tax liabilities	稅項負債	(44,508)
		76
Gain on disposal of subsidiaries:	出售附屬公司收益：	
Cash consideration	現金代價	1,000
Net assets disposed of	已售資產淨值	(76)
Gain on disposal of subsidiaries	出售附屬公司收益	924
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	1,000
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(3)
		997

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 17. DISPOSAL OF SUBSIDIARIES (Continued)

The impact of Imagine Sky Group on the Group's results and cash flows for the period ended 30 June 2015 is shown as follows:

		HK\$'000 千港元
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之 公平值變動	(40,635)
Administrative expenses	行政支出	(369)
Other expenses	其他支出	(815)
Gain on disposal of Imagine Sky Group (included in other gains and losses)	出售Imagine Sky集團收益 (計入其他收益及虧損)	924
		(40,895)

During the period ended 30 June 2015, Imagine Sky Group incurred approximately HK\$15,415,000 to the Group's net operating cash outflows and approximately HK\$15,374,000 to the Group's net investing cash inflows.

### 18. RELATED PARTY TRANSACTIONS

The remuneration of key management during the six months ended 30 June 2016 was HK\$1,917,000 (six months ended 30 June 2015: HK\$1,938,000).

### 17. 出售附屬公司(續)

截至二零一五年六月三十日期間，Imagine Sky集團對本集團業績及現金流量之影響如下：

		HK\$'000 千港元
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之 公平值變動	(40,635)
Administrative expenses	行政支出	(369)
Other expenses	其他支出	(815)
Gain on disposal of Imagine Sky Group (included in other gains and losses)	出售Imagine Sky集團收益 (計入其他收益及虧損)	924
		(40,895)

截至二零一五年六月三十日期間，Imagine Sky集團對本集團經營現金淨流出產生約15,415,000港元及對本集團投資現金淨流入產生約15,374,000港元。

### 18. 關聯方交易

截至二零一六年六月三十日止六個月期間，主要管理層的薪酬為1,917,000港元（截至二零一五年六月三十日止六個月：1,938,000港元）。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 19. 金融工具之公平值計量披露

按經常性基準以公平值計量之本集團金融資產之公平值

本集團部份金融資產於各報告期末按公平值計量。下表提供有關如何根據公平值計量之參數之可觀察程度釐定該等金融資產之公平值(特別是所使用之估值方法及參數), 及公平值計量所劃分之公平值級別水平(第一至三級)之資料。

- 第一級公平值計量指以在活躍市場就相同資產或負債取得之報價(未經調整)進行之計量;
- 第二級公平值計量指以第一級報價以外之資產或負債之可觀察數據(無論是直接(即價格)或間接(即按價格推算))進行之計量; 及
- 第三級公平值計量指透過運用並非基於可觀察市場數據之資產或負債參數(不可觀察參數)之估值方法進行之計量。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

### 19. 金融工具之公平值計量披露(續)

按經常性基準以公平值計量之本集團金融資產之公平值(續)

Financial assets	Fair value as at 30.06.2016 於二零一六年 六月三十日之 公平值 (unaudited) (未經審核)	Fair values as at 31.12.2015 於二零一五年 十二月三十一日之 公平值 (audited) (經審核)	Fair value hierarchy	Valuation technique(s) and key input(s)
金融資產			公平值級別	估值方法及主要參數
1) Financial assets at fair value through profit or loss – unlisted convertible note	HK\$7,562,000	N/A	Level 3	Discounted cash flow and Binomial Option Pricing Model. Future cash flows are estimated based on the prevailing market rate of interest of similar instruments. The unobservable key input is expected volatility detailed in note 11
1) 按公平值計入損益之金融資產－非上市可換股票據	7,562,000 港元	不適用	第三級	貼現現金流量及二項式期權定價模式。未來現金流量乃根據類似工具的現行市場利率估計。不可觀察主要參數為附註 11 所載預期波幅。
2) Investments in unlisted funds classified as available-for-sale investments	HK\$25,432,000	HK\$26,385,000	Level 2	Derived from quoted prices from pricing services based on net asset value of the funds
2) 投資於分類為可供出售投資的非上市基金	25,432,000 港元	26,385,000 港元	第二級	來自基於基金資產淨值的定價服務的報價
3) Investments in unlisted equity interests classified as available-for-sale investments	HK\$150,788,000	HK\$216,700,000	Level 2	Derived from the adjusted net asset value of the investee
3) 投資於分類為可供出售投資的非上市股權	150,788,000 港元	216,700,000 港元	第二級	來自投資公司的經調整資產淨值

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 20. CONTINGENT LIABILITIES

As at 31 December 2015, the Group was subjected to a claim of HK\$9.4 million from an external financial adviser (the "Plaintiff") in relation to the financial advisory service engaged for the disposal of electronic cigarette business taken place on 14 August 2013 and completed on 23 October 2013. The Group received a writ on 31 March 2015 and a statement of claim on 19 May 2015 from the external financial adviser which claimed that pursuant to a so-called consultancy agreement alleged by him, the external financial adviser was entitled to service charge and corresponding disbursement in an aggregate amount equivalent to approximately HK\$9.4 million (the "Claim").

On 12 April 2016, a notice of discontinuance in relation to the withdrawal of the Claim was filed to the High Court of the Hong Kong Special Administrative Region by the Plaintiffs. In view of this, the directors of the Company are of the opinion that the Claim has been discontinued and no provision has to be provided for the period.

### 20. 或然負債

於二零一五年十二月三十一日，本集團遭外聘財務顧問(「原告」)索償9,400,000港元，乃有關就於二零一三年八月十四日進行並於二零一三年十月二十三日完成之出售電子煙業務所聘用的財務顧問服務。本集團於二零一五年三月三十一日收到令狀，並於二零一五年五月十九日收到外聘財務顧問發出的申索陳述書，聲稱根據其所指顧問協議，外聘財務顧問有權獲取服務費及有關開支合共約9,400,000港元(「申索」)。

於二零一六年四月十二日，原告向香港特別行政區高等法院申請發出撤回申索的終止通知。因此，本公司董事認為申索已終止，期間毋須作出撥備。

## BUSINESS REVIEW

The Group recorded an unaudited consolidated net loss of approximately HK\$171,717,000 for the Period (six months ended 30 June 2015: profit of approximately HK\$64,760,000). Turnover for the Period was approximately HK\$26,273,000 (six months ended 30 June 2015: approximately HK\$99,749,000). As the Group realized all of the listed securities in its investment portfolio in the second half of 2015 and trading and investment in listed securities have come to a halt thereafter, there was a substantial decline of turnover recorded for the Period as compared to the corresponding period in 2015.

Loss for the Period was mainly attributable to the impairment losses on available-for-sale ("AFS") investments amounted to approximately HK\$167,566,000 (six months ended 30 June 2015: Nil). The net asset value of the Group decreased from approximately HK\$889,907,000 as at 31 December 2015 to approximately HK\$649,742,000 as at 30 June 2016, representing a 26.99% decrease. However, the Group continues to maintain healthy liquidity with bank balances and cash of approximately HK\$74,465,000 at end of the Period to meet day-to-day operations.

### Health Care and Pharmaceutical Products

Turnover generated from sale of Chenlong Baoling Longevity Ginseng products for the Period amounted to approximately HK\$240,000 (six months ended 30 June 2015: approximately HK\$2,217,000). As a result of the downturn of premium market in Mainland China and the seasonal trend, sales performance of healthcare products for the Period was sluggish. The segment loss of approximately HK\$11,359,000 (six months ended 30 June 2015: HK\$6,068,000) was mainly due to an allowance of slow-moving ginseng products of approximately HK\$6,524,000 (six months ended 30 June 2015: approximately HK\$1,925,000) included in the cost of inventories as an expense.

## 業務回顧

本集團於本期間錄得未經審核綜合虧損淨額約171,717,000港元(截至二零一五年六月三十日止六個月：盈利約64,760,000港元)。本期間營業額約為26,273,000港元(截至二零一五年六月三十日止六個月：約99,749,000港元)。由於本集團於二零一五年下半年變現投資組合的所有上市證券，並隨後停止上市證券買賣及投資，故本集團期內營業額較二零一五年同期大幅下降。

期內虧損主要由於可供出售(「可供出售」)投資減值虧損約167,566,000港元(截至二零一五年六月三十日止六個月：零)所致。本集團資產淨值由二零一五年十二月三十一日約889,907,000港元減少26.99%至二零一六年六月三十日約649,742,000港元。然而，本集團期末仍維持穩健的銀行結餘及現金流動資金約74,465,000港元，以滿足日常營運。

### 保健及醫藥產品

本期間銷售辰龍保齡參產品產生之營業額約240,000港元(截至二零一五年六月三十日止六個月：約2,217,000港元)，主要是由於期內中國內地高端市場轉弱及季節性傾向，以致保健產品銷售表現不佳。分類虧損約11,359,000港元(截至二零一五年六月三十日止六個月：6,068,000港元)，主要是由於滯銷人參產品撥備約6,524,000港元(截至二零一五年六月三十日止六個月：約1,925,000港元)已入賬列作存貨成本的開支所致。

## Management Discussion and Analysis

### 管理層討論及分析

The majority of the sales of pharmaceutical products were contributed by two key products, Azithromycin Granules (II) (「阿奇霉素顆粒(II)」) and Rosiglitazone Hydrochloride Capsules (「鹽酸叻格列酮膠囊」) for the Period. The sales performance of pharmaceutical products for the Period was stable and its turnover for the Period was approximately HK\$9,356,000, representing a slight decrease of 7.65% from approximately HK\$10,131,000 as compared to the corresponding period last year. The segment profit for the Period amounted to approximately HK\$842,000 (six months ended 30 June 2015: approximately HK\$1,945,000).

#### Securities Trading and Investments

The Group had adopted a prudent approach in securities trading and investments after the disposal of all listed securities in its investment portfolio in July 2015. In view of the uncertainties triggered by the devaluation of Renminbi and the doubt of economic soft landing in China, the Group decided to switch its focus from trading and investment in listed securities to unlisted AFS investments for medium to long term returns. Hence, trading and investment in listed securities no longer generated any turnover during the Period (six months ended 30 June 2015: approximately HK\$85,561,000), leading to a massive decline in turnover of the Group for the Period.

#### Available-for-sale investments

During the Period under review, there were no acquisitions or disposals of AFS investments by the Group. As at 30 June 2016, the AFS investments of the Group were comprised of unlisted securities in three overseas entities at the carrying amount/fair value amounting to an aggregate of approximately HK\$300,722,000 (31 December 2015: approximately HK\$534,200,000) and two unlisted investment funds at fair value amounting to approximately HK\$25,432,000 in aggregate (31 December 2015: approximately HK\$26,385,000). Due to diminution of the value of the Group's unlisted AFS investments, the Group recognised impairment losses of approximately HK\$167,566,000 (six months ended 30 June 2015: Nil) and other comprehensive expense of approximately HK\$66,865,000 (six months ended 30 June 2015: income of approximately HK\$1,264,000) on its unlisted AFS investments for the Period. Therefore, the Group's AFS investment portfolio which was measured at carrying amount/fair value decreased to approximately HK\$326,154,000 (31 December 2015: approximately HK\$560,585,000). The followings set out further information of the AFS investment portfolio of the Group for the Period.

期內兩款主要產品阿奇霉素顆粒(II)及鹽酸叻格列酮膠囊，貢獻醫藥產品大部分銷售額。期內醫藥產品的銷售表現穩定，營業額約9,356,000港元，較去年同期約10,131,000港元輕微下跌7.65%。期內分類溢利約842,000港元(截至二零一五年六月三十日止六個月：約1,945,000港元)。

#### 證券買賣及投資

二零一五年七月出售投資組合的所有上市證券後，本集團審慎對待證券買賣及投資。由於因人民幣貶值及對中國經濟軟著陸的憂慮所觸發的不明朗因素，本集團決定將重心由買賣及投資上市證券轉向非上市可供出售投資，以獲取中長期回報。因此，期內上市證券買賣及投資不再產生任何營業額(截至二零一五年六月三十日止六個月：約85,561,000港元)，導致期內本集團營業額大幅下降。

#### 可供出售投資

回顧期內，本集團並無收購或出售任何可供出售投資。二零一六年六月三十日，本集團可供出售投資包括三家海外實體的非上市證券，賬面值／公平值合共約300,722,000港元(二零一五年十二月三十一日：約534,200,000港元)，及兩個公平值合共約25,432,000港元(二零一五年十二月三十一日：約26,385,000港元)的非上市投資基金。由於本集團非上市可供出售投資貶值，本集團期內確認非上市可供出售投資減值虧損約167,566,000港元(截至二零一五年六月三十日止六個月：零)及其他全面支出約66,865,000港元(截至二零一五年六月三十日止六個月：收入約1,264,000港元)。因此，本集團以賬面值／公平值計值的可供出售投資組合減至約326,154,000港元(二零一五年十二月三十一日：約560,585,000港元)。以下載列本集團本期間內可供出售投資組合之更多資料。

Due to the changes in the issued share capital of Freewill Holdings Limited (“FHL”), a company incorporated in the Marshall Islands with limited liability principally engaged in property investment, financial services and money lending in Hong Kong, the Group’s equity interest in FHL was slightly diluted to 5.71% at end of the Period (31 December 2015: 6.09%). Having reviewed the unaudited management accounts of FHL and considered the unaudited net asset value of FHL as at 30 June 2016 in principle, an impairment of approximately HK\$41,492,000 was recognized for the Period so that the carrying amount of FHL was decreased to approximately HK\$138,508,000 as at 30 June 2016 (31 December 2015: HK\$180,000,000). It is expected that the market recovery may improve the prolonged decline in the asset value of FHL and if opportunities arise, the Group will appraise and consider the disposal of its interest in FHL.

The Group’s interests in Joint Global Limited (“JGL”), a company incorporated in the Marshall Islands with limited liability principally engaged in private equity investment and debt securities investment, was slightly diluted to 8.63% as at 30 June 2016 (31 December 2015: 8.89%) following the issuance of new shares by JGL. The Group recognized impairment of approximately HK\$126,074,000 against the carrying amount of JGL due to the substantial loss incurred during the Period and the decrease in net asset value of JGL with reference to the latest available financial statements of JGL as at 30 June 2016. During the Period, JGL engaged in debt securities investment and subsequently distributed the convertible note in its investment portfolio to the members. Therefore, by way of distribution in species of JGL during the Period, the Group entitled to a convertible note in the principal amount of approximately HK\$19,855,000 bearing the interest rate of 5% per annum convertible into 26,633,094 ordinary shares of Up Energy Development Group Limited, a company incorporated in Bermuda with limited liability and listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (representing approximately 0.58% of the enlarged issued share capital upon full conversion of the Group’s entitlement) at the conversion price of HK\$0.7455 due 31 December 2018, which was recorded as dividend income in an amount of approximately HK\$7,604,000 to the Group for the Period and the convertible note was classified as financial assets at fair value through profit or loss (“FAFVPL”) in the consolidated statement of financial position. As at 30 June 2016, the fair value of such FAFVPL amounted to approximately HK\$7,562,000 (31 December 2015: Nil). The possibility to fully recover the asset

由於Freewill Holdings Limited(「FHL」)(一家於馬紹爾群島註冊成立之有限公司，主要從事物業投資、金融服務及於香港的放貸業務)的已發行股本有所變動，因此回顧期末，本集團於FHL的股權略為攤薄至5.71%(二零一五年十二月三十一日：6.09%)。經審閱FHL的未經審核管理賬目及考慮FHL於二零一六年六月三十日的未經審核資產淨值為原則，期內，約41,492,000港元減值已確認，因此FHL於二零一六年六月三十日的賬面值減至約138,508,000港元(二零一五年十二月三十一日：180,000,000港元)。預期市場復甦會改善FHL資產價值長期下降的狀況，倘出現商機，本集團會評估並考慮出售其於FHL的權益。

由於Joint Global Limited(「JGL」)(一家於馬紹爾群島註冊成立之有限公司，主要從事私募股權投資及債券投資)發行新股份，因此本集團二零一六年六月三十日於JGL的權益略為攤薄至8.63%(二零一五年十二月三十一日：8.89%)。經參考JGL最新提供的截至二零一六年六月三十日的財務報表，由於期內虧損嚴重及JGL的資產淨值減少，本集團於JGL賬面值確認減值約126,074,000港元。期內，JGL從事債券投資並於其後向股東分派其投資組合中的可換股票據。因此，期內，通過JGL的實物分派，本集團獲發本金金額約為19,855,000港元的可換股票據，年利率5%，可轉換成優派能源發展集團有限公司(一家於百慕達註冊成立之有限公司並於香港聯合交易所有限公司(「聯交所」)上市)的26,633,094股普通股(約佔本集團權益全部轉換後經擴充已發行股本的0.58%)，轉換價為0.7455港元，於二零一八年十二月三十一日到期，而該權利於期內錄作股息收入約7,604,000港元計入本集團，可換股票據於綜合財務狀況表分類為按公平值計入損益的金融資產(「按公平值計入損益的金融資產」)。二零一六年六月三十日，按公平值計入損益的金



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value of JGL is considered to be remote and the Group will consider the disposal of its investment in JGL, subject to the market conditions in future.

The fair value change of Co-Lead Holdings Limited (“CoL”), a company incorporated in the British Virgin Islands principally engaged in securities investments amounted to approximately HK\$65,912,000 was booked as other comprehensive expense for the Period. As a result of the changes in the issued share capital of CoL, the Group’s equity interests in CoL at end of the Period slightly decreased to 9.66% (31 December 2015: 9.73%).

The Group also invested in two unlisted investment funds which principally invest in China and high-dividend securities in Asian region respectively. The fair value of these two investment funds slightly decreased to approximately HK\$25,432,000 at end of the Period (31 December 2015: approximately HK\$26,385,000) and such decrease in fair value of approximately HK\$953,000 was booked as other comprehensive expense for the Period.

Notwithstanding the impairment losses on the Group’s AFS investments for the Period amounted to approximately HK\$167,566,000, the recognition of such losses did not constitute adverse effect to the cashflow of the Group. Following the referendum of withdrawal of the United Kingdom from the European Union (“Brexit”), the United States presidential election of 2016 is expected to create uncertainties to the global financial markets to a certain extent. However, it is believed that the impending launch of “Shenzhen-Hong Kong Stock Connect” may strengthen the interconnectivity between the Mainland China and Hong Kong and it will possibly boost the overall market sentiment of the capital market in Hong Kong. The Board views the future financial market with cautious optimism and expects the market recovery may hold out the prospect of the Group’s investment portfolio. On the other hand, the Company will adopt a cautious approach to closely monitor and appraise the aforesaid AFS investments from time to time and will also consider realization of certain AFS investments if and when suitable opportunities arise.

融資產之公平值約7,562,000港元(二零一五年十二月三十一日：零)。JGL的資產價值不大可能完全回升而本集團會考慮出售其於JGL的投資，視未來市況而定。

本期間內，Co-Lead Holdings Limited(「CoL」)(一家於英屬處女群島註冊成立之公司，主要從事證券投資)的公平值變動約65,912,000港元以其他全面開支列賬。由於CoL的已發行股本有所變動，故本集團期末於CoL的權益略為減至9.66%(二零一五年十二月三十一日：9.73%)。

本集團亦投資兩個非上市基金，其分別主要於中國投資及於亞洲地區投資高股息證券。於本期間末，該兩個基金的公平值略減至約25,432,000港元(二零一五年十二月三十一日：約26,385,000港元)，該公平值減少約953,000港元已入賬列為期內其他全面開支。

儘管於本期間內本集團於可供出售投資的減值虧損約為167,566,000港元，確認該等虧損並無對本集團的現金流有不利影響。繼英國公投退出歐盟(「英國脫歐」)後，預期二零一六年美國總統選舉會對全球金融市場帶來一定程度上的不明朗因素。然而，預期即將推出的「深港通」將加強中港兩地的互聯互通，或會刺激香港資本市場的整體市場投資情緒。董事會對未來金融市場審慎、樂觀，並預期市場復甦有利本集團投資組合的前景。此外，本公司會不時謹慎密切監控及評估上述可供出售投資，亦會在適當時機考慮變現部分可供出售投資。

### Money Lending Business

The Group continues to utilize part of its surplus cash to provide short-term financing to corporate and individual borrowers. During the Period, the Group enlarged the loan portfolio and the interest income generated from the money lending business amounted to approximately HK\$5,751,000 (six months ended 30 June 2015: approximately HK\$1,053,000), representing a substantial increase of approximately 446.15% as compared to the corresponding period in 2015. Loans receivable increased from approximately HK\$142,714,000 as at 31 December 2015 to approximately HK\$239,611,000 as at 30 June 2016.

### Wine Trading

Sales performance of wine trading was improving during the Period with a turnover of approximately HK\$2,868,000 recorded (six months ended 30 June 2015: approximately HK\$787,000). Profit attributed to this business segment amounted to approximately HK\$430,000 for the Period (six months ended 30 June 2015: a loss of approximately HK\$121,000), representing a turnaround improvement as compared to loss incurred for the corresponding period in 2015.

### LIQUIDITY, FINANCIAL ANALYSIS AND CAPITAL STRUCTURE

As at 30 June 2016, the Group had a secured short-term borrowing of HK\$10,000,000 (31 December 2015: HK\$10,000,000) which carries interest at floating rate with a maturity due within one year. Such borrowing was denominated in Hong Kong dollar, and thus, there was no exposure to fluctuations in exchange rate. Gearing ratio of the Group as at 30 June 2016 is approximately 1.54% (31 December 2015: 1.12%). This calculation is based on net borrowing mentioned above and shareholders' funds of approximately HK\$649,742,000. As at the date of the consolidated statement of financial position, bank balances and cash amounted to approximately HK\$74,465,000 (31 December 2015: approximately HK\$180,342,000) and total assets were approximately HK\$685,461,000 (31 December 2015: approximately HK\$930,923,000). Net current assets of the Group on the same date amounted to approximately HK\$298,426,000 (31 December 2015: approximately HK\$302,474,000). Inventories decreased from approximately HK\$16,266,000 as at 31 December 2015 to approximately HK\$9,394,000 as at 30 June 2016 as an allowance of certain slow-moving finished goods regarding health care products of approximately HK\$6,524,000 was recognized for the Period. The Group had no material capital commitment as at 30 June 2016.

### 貸款業務

本集團繼續利用部分現金盈餘向公司及個人借款人提供短期融資。本期間內，本集團擴充貸款組合，貸款業務所得利息收入約5,751,000港元(截至二零一五年六月三十日止六個月：約1,053,000港元)，較二零一五年同期大幅增加約446.15%。應收貸款由二零一五年十二月三十一日約142,714,000港元增至二零一六年六月三十日約239,611,000港元。

### 葡萄酒買賣

本期間內本集團葡萄酒銷售表現向好，錄得營業額約2,868,000港元(截至二零一五年六月三十日止六個月：約787,000港元)。於本期間內，該業務分類所得溢利約430,000港元(截至二零一五年六月三十日止六個月：虧損約121,000港元)，與二零一五年同期虧損相比，轉虧為盈。

### 流動資金、財務分析及資本結構

於二零一六年六月三十日，本集團有一年內到期之浮息有抵押短期借款10,000,000港元(二零一五年十二月三十一日：10,000,000港元)。該借款以港元計值，因此並無匯率波動風險。本集團於二零一六年六月三十日的資產負債比率約1.54%(二零一五年十二月三十一日：1.12%)，乃基於上述借款淨額及股東資金約649,742,000港元計算。於綜合財務狀況表日期，銀行結餘及現金約74,465,000港元(二零一五年十二月三十一日：約180,342,000港元)，而資產總額約685,461,000港元(二零一五年十二月三十一日：約930,923,000港元)。同日本集團的流動資產淨額約298,426,000港元(二零一五年十二月三十一日：約302,474,000港元)。由於本期間內確認若干保健產品滯銷成品撥備約6,524,000港元，存貨自二零一五年十二月三十一日約16,266,000港元減少至二零一六年六月三十日約9,394,000港元。本集團於二零一六年六月三十日並無重大資本承擔。

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As at 30 June 2016, the issued share capital of the Company was 1,059,749,920 shares of HK\$0.01 each.

#### FOREIGN EXCHANGE RISKS

The Group's operations conducted in the PRC are mainly settled in Renminbi while wine trading billings are mainly settled in Euro. However, securities trading and investments, and money lending are conducted in Hong Kong. Therefore, the Group is exposed to fluctuations in foreign exchange rate to a certain extent. Currently, the Group has no formal hedging policies in place. The Group has not entered into any foreign currency exchange contracts or derivatives to hedge against the Group's currency risks.

#### PROSPECTS FOR THE YEAR 2016 AND DEVELOPMENT PLAN

Despite the effect on market trimming by the economic soft landing in China and faced the competition from imported and domestic goods, the Group will strive to maintain the present market share of its pharmaceutical products through efficient control over product costs and quality.

Sales performance of Chenlong Baoling Longevity Ginseng products was weak in the first half of 2016. It is expected that the Group will be able to generate more revenue by the enhanced sales channel in future.

The impact of "Brexit" remains uncertain at this stage and the misgiving of economic soft landing in China may lead to financial market volatility. The Group will continue to adopt a cautious approach to review its existing investment portfolio from time to time. Exploring and appraising other long term investments in both overseas and local markets will be taken into consideration by the Group in future. In addition, the Group will closely monitor the market conditions and will consider changing the composition of its AFS investments portfolio and investing in listed securities if and when suitable opportunities arise.

Apart from the existing core businesses, the Group will identify opportunities for new investments and other principal businesses, particularly in property investments. The board will continue to explore new projects so as to diversify the business of the Group and to achieve better returns in future.

於二零一六年六月三十日，本公司已發行股本為1,059,749,920股每股面值0.01港元之股份。

#### 外匯風險

本集團的國內業務主要以人民幣結算，葡萄酒買賣則主要以歐元結算。然而，證券買賣與投資及貸款在香港進行。因此，本集團的匯率波動風險有限。現時，本集團並無正式對沖政策，亦無訂立任何外匯合約或衍生工具，以對沖本集團的貨幣風險。

#### 二零一六年前景及發展計劃

儘管受中國經濟軟著陸導致的市場調整所影響及面對進口及國內貨品的競爭，本集團將通過有效控制產品成本及品質，致力維持醫藥產品的現有市場份額。

二零一六年上半年，辰龍保齡參產品的銷售表現疲弱。預期本集團日後通過開拓銷售渠道可獲得更多收益。

現階段英國脫歐的影響尚不明確，對中國經濟軟著陸的憂慮或會導致金融市場波動。本集團仍不時審慎檢查現有投資組合。本集團日後會考慮物色及評估海內外市場的其他長期投資。此外，本集團會密切監控市況，並將考慮於適合時機變更可供出售投資組合及投資上市證券。

除現有核心業務外，本集團計劃物色新投資商機及主營業務，尤其是物業投資。董事會將繼續尋求新項目，令本集團業務更為多元化，並於日後獲得更高回報。

**DETAILS OF MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

During the Period, the Group did not have any material acquisition and disposal of subsidiaries.

**DIVIDEND**

No dividends were paid, declared or proposed during the Period (six months ended 30 June 2015: Nil). The Board did not recommend any dividend payment for the Period (six months ended 30 June 2015: Nil).

**PLEDGE OF ASSETS**

At 30 June 2016, the short-term borrowing of HK\$10,000,000 (31 December 2015: HK\$10,000,000) was secured by the unlisted investments funds included in AFS investments with the carrying amount of approximately HK\$25,432,000 (31 December 2015: HK\$26,385,000) and a guarantee limited to HK\$15,000,000 was made by the Group.

**CONTINGENT LIABILITIES**

As at 31 December 2015, the Group was subject to a claim of approximately HK\$9.4 million from an external consultant pursuant to a so-called consulting agreement alleged by him and the outstanding retainer fee and expenses in relation to the disposal of electronic cigarette business taken place in 2013. On 12 April 2016, a notice of discontinuance which stipulated that the proceedings against the Company be wholly discontinued was filed in the High Court of the Hong Kong Special Administrative Region by the plaintiffs. Therefore, at end of the Period, the Group was not liable to any material legal proceedings of which provision for contingent liabilities was required.

**EMPLOYEE POLICY**

As at 30 June 2016, the Group employed 101 employees in the PRC and Hong Kong. The remuneration package of the employee is determined with reference to market conditions, their performance, experience and their positions, duties and responsibilities in the Group.

**重大收購及出售附屬公司之詳情**

本期間內，本集團並無任何重大收購或出售附屬公司。

**股息**

本期間內並無派付、宣派或建議派付股息(截至二零一五年六月三十日止六個月：無)。董事會不建議派付任何期內之股息(截至二零一五年六月三十日止六個月：無)。

**資產抵押**

於二零一六年六月三十日，短期借款10,000,000港元(二零一五年十二月三十一日：10,000,000港元)以賬面值約25,432,000港元(二零一五年十二月三十一日：26,385,000港元)計入可供出售投資之非上市投資基金擔保及本集團作出最高15,000,000港元之擔保。

**或然負債**

於二零一五年十二月三十一日，本集團就二零一三年出售電子煙業務面對外聘顧問根據其聲稱之所謂顧問協議及未支付的服務費與開支索償約9,400,000港元。於二零一六年四月十二日，原告向香港特別行政區高等法院申請發出終止通知，全面終止對本公司之訴訟。因此，本集團於期末毋須就任何須作出或然負債撥備之重大法律程序承擔責任。

**僱員政策**

於二零一六年六月三十日，本集團在中國和香港僱有員工101名。僱員薪酬待遇經參考市況、績效、經驗及在本集團之職位、職責及責任釐定。

## Other Disclosure Information

### 其他資料披露

#### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at 30 June 2016, so far as is known to the directors, none of the directors and the chief executive of the Company and their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) ("SFO")) which were to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were 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 for Securities Transactions by Directors of Listed Issuers ("Model Code") under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange.

#### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY

At no time during the six months ended 30 June 2016 (the "Period") was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any associated corporations, and none of the directors of the Company, or their spouses or children under age of 18, had any right to subscribe for the shares or debt securities of the Company or had exercised any such right during the Period.

#### DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

#### 董事及主要行政人員於股份及相關股份之權益及短倉

於二零一六年六月三十日，就董事所知，本公司董事及主要行政人員及彼等之聯繫人於本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，概無擁有須根據證券及期貨條例第XV部第7及8分部而知會本公司及聯交所之權益或短倉(包括根據證券及期貨條例有關規定擁有或視作擁有之權益及短倉)；或須載入根據證券及期貨條例第352條之規定所存置之登記冊內之權益或短倉；或根據聯交所證券上市規則(「上市規則」)上市發行人董事進行證券交易的標準守則(「標準守則」)而須知會本公司及聯交所之權益或短倉。

#### 董事購買本公司股份或債券之權利

於截至二零一六年六月三十日止六個月期間(「本期間」)任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事透過收購本公司或任何相聯法團之股份或債券(包括公司債券)而獲得利益，且於本期間內，本公司董事或彼等配偶或十八歲以下子女並無認購本公司股份或債券的權利，亦無行使任何權利。

#### 董事於合約之權益

於本期間末或本期間內任何時間，本公司、其控股公司、附屬公司或其同系附屬公司概無訂立任何本公司董事於其中直接或間接擁有重大利益關係之重大合約。

### SUBSTANTIAL SHAREHOLDERS

So far as is known to directors of the Company, as at 30 June 2016, the persons or companies (other than directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which fall to be disclosed to the Company under Part XV of the SFO, or which were recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the ordinary shares of the Company as at 30 June 2016:

Name of Shareholder 股東名稱	Capacity 身份	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比
Goldfame Luck Limited	Beneficial Owner 實益擁有人	301,147,000	28.42%
Li Gen Xiong (Note 1) 李根雄(附註1)	Interest of controlled corporation 受控制法團權益	301,147,000	28.42%

Note:

- Mr. Li Gen Xiong is the beneficial owner of 100% shareholding in Goldfame Luck Limited and, therefore, Mr. Li Gen Xiong is deemed to be interested in 301,147,000 Shares held by Goldfame Luck Limited for the purposes of the SFO.

Save as disclosed above, as at 30 June 2016, no person, other than the directors of the Company, whose interests are set out herein this report, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

### 主要股東

就本公司董事所知，於二零一六年六月三十日，於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部向本公司披露，或須載入本公司根據證券及期貨條例第336條之規定存置之主要股東登記冊的權益或短倉的人士或公司(除本公司董事或主要行政人員外)載列如下：

於二零一六年六月三十日，本公司普通股的長倉載列如下：

Name of Shareholder 股東名稱	Capacity 身份	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比
Goldfame Luck Limited	Beneficial Owner 實益擁有人	301,147,000	28.42%
Li Gen Xiong (Note 1) 李根雄(附註1)	Interest of controlled corporation 受控制法團權益	301,147,000	28.42%

附註：

- 李根雄先生為Goldfame Luck Limited全部股權之實益擁有人。因此，根據證券及期貨條例，李根雄先生視作擁有Goldfame Luck Limited所持有之301,147,000股股份。

除上文披露者外，於二零一六年六月三十日，概無任何人士(於本報告中載有其權益的本公司董事除外)於本公司股份或相關股份中擁有須根據證券及期貨條例第336條登記之權益或短倉。

## Other Disclosure Information

### 其他資料披露

#### SHARE OPTION SCHEME

A new share option scheme (the "Share Option Scheme") has been adopted by the Company pursuant to a shareholder's resolution passed on 17 December 2012.

No options have been granted under the Share Option Scheme since the adoption of the Share Option Scheme and up to the date of this report.

As at the date of this report, there is no option granted or outstanding under any of the Company's share option scheme.

#### CONVERTIBLE SECURITIES OR OTHER SIMILAR RIGHTS

The Company has no outstanding convertible securities or similar rights in issue as at 30 June 2016.

#### PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

#### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiries of all directors of the Company, they all confirmed that they have complied with the required standard set out in the Model Code during the Period.

#### CORPORATE GOVERNANCE

The Board is responsible for performing the corporate governance duties with written terms of reference. Save as disclosed below, the Company has complied with all code provisions of the Corporate Governance Code (the "Code") during the Period as set out in Appendix 14 to the Listing Rules.

#### 購股權計劃

本公司依據於二零一二年十二月十七日通過之股東決議案採納新購股權計劃(「購股權計劃」)。

自採納購股權計劃起直至本報告日期，概無根據購股權計劃授出購股權。

於本報告日期，概無根據任何本公司購股權計劃授出或尚未行使的購股權。

#### 可換股證券或其他同類權利

於二零一六年六月三十日，本公司並無尚未行使的可換股證券或同類權利。

#### 購買、出售或贖回證券

於本期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

#### 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之標準守則作為本公司董事進行證券交易之行為守則。經向本公司所有董事作出具體查詢後，彼等均已確認於本期間內一直遵守標準守則載列之所須標準。

#### 企業管治

董事會具有書面職權範圍，負責履行所列企業管治職責。除下文所披露者外，本公司於本期間一直遵守上市規則附錄十四所載企業管治守則(「守則」)之所有守則條文。

Code Provision A.4.1 stipulated that non-executive directors shall be appointed for a specific term and be subject to re-election. The appointment of Mr. Lam Man Sum, Albert as independent non-executive director of the Company is not subject to a specific term of office, which constitutes a deviation from A.4.1 of the Code. However, all the independent non-executive directors of the Company are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Articles of Association. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those of the Code.

Under the Code Provision of A.6.7, all independent non-executive directors should attend general meetings of the Company and develop a balanced understanding of shareholders' view. For the annual general meeting held on 26 May 2016, Mr. Chang Tat Joel was unable to attend due to other business engagement.

#### AUDIT COMMITTEE

The interim results for the Period have been reviewed by the audit committee of the Company. The audit committee comprises three independent non-executive directors of the Company, namely Mr. Lam Man Sum, Albert, Mr. Chang Tat Joel and Mr. Wong Stacey Martin.

#### REMUNERATION COMMITTEE

The duties of the remuneration committee of the Company include making recommendations on the Group's policy and structure for remuneration package of the directors and senior management, evaluation and making recommendation on other employees' benefit arrangements. The remuneration committee comprises three independent non-executive directors of the Company, namely Mr. Lam Man Sum, Albert, Mr. Chang Tat Joel and Mr. Wong Stacey Martin.

#### NOMINATION COMMITTEE

The primary duties of the nomination committee include (i) reviewing the structure, size and composition of the Board; (ii) selection of individuals nominated for directorships; (iii) assess the independence of independent non-executive directors; and (iv) make recommendations to the Board. The nomination committee comprises the managing director and three independent non-executive directors of the Company, namely, Ms. Chan Mee Sze, Mr. Lam Man Sum, Albert, Mr. Chang Tat Joel and Mr. Wong Stacey Martin.

第A.4.1條守則條文規定，非執行董事之委任應有指定任期，惟可膺選連任。林聞深先生獲委任為本公司獨立非執行董事並無指定任期，故偏離守則A.4.1規定。然而，本公司全體獨立非執行董事須遵照本公司組織章程細則於本公司股東週年大會輪席退任。因此，本公司認為已採取足夠措施保障本公司的企業管治常規執行不遜於守則所制定者。

根據守則第A.6.7之守則條文，全體獨立非執行董事應出席本公司股東大會，並對股東意見有平衡的了解。鄭達祖先生於二零一六年五月二十六日因須處理其他事務未能出席本公司股東週年大會。

#### 審核委員會

本期間之中期業績已由本公司審核委員會審閱。審核委員會由本公司三名獨立非執行董事（即林聞深先生、鄭達祖先生及黃偉誠先生）組成。

#### 薪酬委員會

本公司薪酬委員會職責包括對本集團有關董事及高級管理層薪酬方案之政策及架構提供意見，並對其他僱員福利安排進行評估及提供意見。薪酬委員會由本公司三名獨立非執行董事（即林聞深先生、鄭達祖先生及黃偉誠先生）組成。

#### 提名委員會

提名委員會主要職責包括(i)審閱董事會之架構、規模及組成；(ii)甄選提名為董事的人士；(iii)評估獨立非執行董事的獨立性；及(iv)向董事會提出建議。提名委員會由本公司董事總經理及三名獨立非執行董事（即陳美思女士、林聞深先生、鄭達祖先生及黃偉誠先生）組成。



## Other Disclosure Information

### 其他資料披露

#### BOARD OF DIRECTORS

As at the date of this report, the members of the Board are as follows:

##### *Executive Directors*

Mr. Lee Kien Leong (*Chairman*)

Ms. Chan Mee Sze (*Managing Director*)

Mr. Lam Suk Ping

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

Mr. Lam Man Sum, Albert

Mr. Chang Tat Joel

Mr. Wong Stacey Martin

The Board has approved the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2016.

#### CHANGES IN DIRECTORS' INFORMATION

Since 20 May 2016, both (i) Ms. Chan Mee Sze, the Managing Director of the Company and (ii) Mr. Lam Suk Ping, the Executive Director of the Company have been appointed as independent non-executive directors of Mingyuan Medicare Development Company Limited, a company listed on the main board of the Stock Exchange.

Save as disclosed above, there had not been any other changes to Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

#### APPRECIATION

The Board would like to express our gratitude and sincere appreciation to its business partners, management and staff members, and shareholders for their continuous support.

By order of the Board

Dragonite International Limited

Lee Kien Leong

*Chairman*

Hong Kong, 26 August 2016

#### 董事會成員

於本報告日期，董事會成員如下：

##### *執行董事*

李健龍先生(主席)

陳美思女士(董事總經理)

林叔平先生

##### *獨立非執行董事*

林聞深先生

鄭達祖先生

黃偉誠先生

董事會已通過本集團截至二零一六年六月三十日止六個月未經審核簡明綜合財務報表。

#### 董事資料變更

自二零一六年五月二十日起，(i)本公司董事總經理陳美思女士及(ii)本公司執行董事林叔平先生獲委任為銘源醫療發展有限公司(於聯交所主板上市)獨立非執行董事。

除上文所披露者外，根據上市規則第13.51B(1)條須予披露的董事資料概無任何其他變更。

#### 感謝

董事會衷心感謝其業務夥伴、管理層、員工及股東一直以來的支持。

承董事會命

叁龍國際有限公司

主席

李健龍

香港，二零一六年八月二十六日