DOYEN
東銀國際
INTERNATIONAL HOLDINGS

DOYEN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability) Stock Code: 668

Interim Report 2017

CONTENTS

CORPORATE INFORMATION

Board of Directors

Executive directors

Mr. Lo Siu Yu, *Chairman*
Ms. Luo Shaoying, *Vice Chairman*
Mr. Cho Chun Wai

Non-executive directors

Mr. Wang Xiaobo
Mr. Qin Hong

Independent non-executive directors

Mr. Chan Ying Kay
Dr. Zhu Wenhui
Mr. Wang Jin Ling

Audit Committee

Mr. Chan Ying Kay,
Committee Chairman
Dr. Zhu Wenhui
Mr. Wang Jin Ling

Remuneration Committee

Dr. Zhu Wenhui,
Committee Chairman
Mr. Chan Ying Kay
Mr. Wang Jin Ling

Nomination Committee

Mr. Lo Siu Yu,
Committee Chairman
Mr. Chan Ying Kay
Dr. Zhu Wenhui

Company Secretary

Mr. Cho Chun Wai

Authorised Representatives

Mr. Lo Siu Yu
Mr. Cho Chun Wai

Registered Office

Suites 2009-2010, 20/F., Harbour Centre,
25 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2596 0668
Fax: (852) 2511 0318
E-mail: enquiry@doyenintl.com

Share Registrar

Computershare Hong Kong Investor
Services Limited
46/F., Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Share Transfer Office

Computershare Hong Kong Investor
Services Limited
Shops 1712-16, 17/F., Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong.

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
Bank of Communications Co., Limited
China Everbright Bank

Solicitors

Mason Ching & Associates

Auditor

RSM Hong Kong
Certified Public Accountants

Stock Code

668

Website

http://www.doyenintl.com

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS

BUSINESS REVIEW

For six months ended 30 June 2017, Doyen International Holdings Limited (the "Company", together with its subsidiaries, collectively the "Group") recorded profit of approximately HK$9.6 million (six months ended 30 June 2016: loss of approximately HK$2.0 million). During the first half of 2017, the Group recorded an exchange gain of approximately HK$8.9 million, while it has recorded an exchange loss of approximately HK$7.0 million during the corresponding period last year.

Dongkui Business

Dongkui Financial Leasing (Shanghai) Co., Ltd. ("Shanghai Dongkui"), a subsidiary of which 77.58% equity interest is owned by the Company, is mainly engaged in provision of loan financing. Shanghai Dongkui will continue to select projects with relatively reliable grading, sufficient security and controllable risks through assessment of profit, financial and credit status of enterprises. The registered capital of Shanghai Dongkui amounted to US$51.3 million (equivalent to approximately HK$400.1 million).

On 8 June 2017, Shanghai Dongkui entered into the loan agreement with 上海興灣貿易有限公司 (Shanghai Xingwan Trade Co., Ltd.*), a company established with limited liability under the laws of the People's Republic of China ("PRC"), pursuant to which Shanghai Dongkui has agreed to grant a loan in the amount of RMB20 million (equivalent to approximately HK$23 million) for a term of 18 months at the interest rate of 11% per annum.

For the six months ended 30 June 2017, the Group's loan financing segment has contributed revenue of approximately HK$10.0 million (six months ended 30 June 2016: HK$16.9 million). The segment has recorded a profit after tax of approximately HK$8.7 million.

Property Investment Holding

Chongqing Baoxu Commercial Property Management Limited ("Chongqing Baoxu"), a subsidiary of which 70% equity interest is owned by the Company, is principally engaged in the investment holding of Dong Dong Mall ("Dong Dong Mall"), a shopping arcade for commercial use and located at No. 2, Second Lane, Nanping East Road, Nanan District, Chongqing in the PRC with a total gross floor area of 18,043.45 square meters. Dong Dong Mall is adjacent to a main pedestrian street and a number of shopping mall, where is a hot-spot of fashion, shopping, entertainment and business for residents around south Chongqing due to its convenient public transportation.

For the six months ended 30 June 2017, the Group's property investment segment has contributed revenue of approximately HK$5.2 million (six months ended 30 June 2016: HK$5.7 million), representing a decrease of 8.8%. Meanwhile, the net finance income attributable by this segment increased to approximately HK$2.4 million for the six months ended 30 June 2017 (six months ended 30 June 2016: HK$1.8 million). This segment has recorded a profit after tax of approximately HK$3.6 million for the six months ended 30 June 2017.

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Other

On 8 November and 11 November 2016, the Company, Chongqing Baoxu and Shanghai Dongkui respectively entered into the loan agreements with Chongqing Doyen Holdings Group Co., Limited ("Chongqing Doyen"), a company incorporated in the PRC and wholly owned by Mr. Lo Siu Yu ("Mr. Lo"), the Chairman, executive director ("Director") and controlling shareholder of the Company, and his spouse, pursuant to which the Company, Chongqing Baoxu and Shanghai Dongkui advanced loans in the amount of RMB270 million (equivalent to approximately HK$301.6 million). The interest rate is 10.5%. It is expected that the Group will receive substantial interest income in 2017 as a result of such transaction.

On 6 March 2017, the Company entered into a second loan ("2nd Loan") agreement with Chongqing Doyen, pursuant to which the Company has agreed to advance a loan in the amount of RMB150 million (equivalent to approximately HK$169.5 million) to Chongqing Doyen. Chongqing Doyen shall repay the 2nd loan in full on the maturity date on 18 January 2018. The interest rate is 10.5%.

PROSPECTS

The Company has always been identifying suitable investment and business opportunities so as to diversify its business with an objective to broaden the Group's income sources. Before securing long-term investment opportunities to our satisfaction, the Company will seize any opportunity to make short-term investment with lower risks for the sake of bring rewards for shareholders.

Dongkui Business

The "*Report on the Development of Financial Leasing Industry in China for the First Quarter of 2017*" was announced in April 2017, stating that the loan financing business has experienced speedy growth and no sign of industrial and regional risks has been seen since the beginning of 2017. Meanwhile, with the implementation of "One belt one road", which will facilitate the economic cooperation between different countries, more business opportunities will arise in the loan financing business and the sector will develop further as a result.

During the period, the Group continued to commit to the development of loan financing services. Shanghai Dongkui has been proactively looking for suitable clients since its establishment, and expanding its business network to strive for more opportunities.

PROSPECTS *(continued)*

Property Investment Holding

Given various influential factors including the unceasing rise of operational costs, the structural adjustment of consumption demand and the rapid development of online retailing, the development of physical retailing is confronted with unprecedented challenges. The current jam of physical retailing is resulted from external challenges, such as the diminished market demand, the increase in costs and the impact from the e-commerce sector, as well as other internal causes, including the lack of timely adjustment adapting to the change of consumption market. Despite the prevailing crisis, the prospect of physical retailing is still promising once the innovation of the sector speeds up.

In order to alleviate external factors' impact on physical retailing, the Group carried out a massive general renovation for Dong Dong Mall in 2015. After the renovation, the new look attracted the attention of a number of new customers, thus increasing the foot traffic and the number of tenants, which contributed to the continuous boost in the rental income from Dong Dong Mall. The Group expects that there will be a sustainable increase in return in the second half of 2017.

Investment in an Associate

In 2017, agricultural technology has experienced the development from "sticking to tradition" to "adapting to change", and also promoted the agricultural reform featuring automatization with a brand new approach. The Internet of Things ("IoT") has played a crucial role in this round of reform.

The Company holds 31.41% equity interest in Sol Chip Limited ("Sol Chip"), an Israeli solar energy technology company with extensive experience in the semiconductor industry. It is also a provider of systems for the IoT and energy access solutions, and is mainly engaged in sales of sustainable solar batteries and relevant systematic solution plans.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2017, the Group had a total of 48 (31 December 2016: same) full-time employees. Employees' remuneration packages are determined with reference to prevailing market practices and individual performance. The Group's remuneration package includes basic salaries, sales incentives (which are only payable to certain operational staff), medical insurance plans and retirement benefit schemes. Discretionary bonus and share options may be granted to eligible employees based on the performance of the Group and individual employees.

The emoluments of the Directors are determined by the remuneration committee of the Company, having regard to the operating results of the Group, individual performance and comparable market statistics.

The Company encourages its employees to enhance their competence, and also provides training to improve working capabilities of staff members and creates opportunities for long-term growth of employees.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2017, the Group had cash and cash equivalents of approximately HK$115.0 million (31 December 2016: HK$196.5 million). Management believes that the Group has sufficient cash and cash equivalents to fund its operations and future development. As at 30 June 2017, the current ratio of the Group, representing current assets divided by current liabilities, was 2.8 (31 December 2016: same).

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the condensed consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the condensed consolidated statement of financial position plus net debt. As at 30 June 2017, the Group's total borrowings exceeded the bank and cash balances by approximately HK$226.6 million (31 December 2016: HK$168.3 million), as a result of Dongkui business entered into three-year loans with banks as its general working capital.

Capital structure

As at 30 June 2017, the Group's current and non-current bank borrowings amounted to approximately HK$252.0 million (31 December 2016: HK$250.2 million) and approximately HK$89.6 million (31 December 2016: HK$114.6 million) respectively. All the bank borrowings bore interest at floating rates while the bond bore interest of fixed rate.

The Group did not use any derivatives to hedge its exposure to interest rate risks for the six months ended 30 June 2017 and the year ended 31 December 2016. The Group monitors its capital by maintaining a sufficient net cash position to satisfy its commitments and working capital requirements.

Pledge of assets

As at 30 June 2017, the Group's bank loans of approximately HK$103.6 million (31 December 2016: HK$111.7 million) were secured by the Group's investment property amounted to approximately HK$319.6 million (31 December 2016: HK$309.4 million) and its right to receive rental income. The remaining bank loans of approximately HK$43.0 million (31 December 2016: HK$58.2 million) were secured by the Group's loan receivables and pledged bank deposits, and were guaranteed by Chongqing Doyen.

Exposure to fluctuations in exchange rates and related hedges

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in local currencies except certain amounts due from a related company denominated in RMB other than the functional currency of the respective group entity expose the Group to foreign exchange exposure.

Currently, the Group does not use any derivative financial instruments to hedge its exposure to foreign exchange risk.

FINANCIAL REVIEW *(continued)*

Commitments

As at 30 June 2017 and 31 December 2016, the Group had no capital commitment.

As at 30 June 2017, the total future minimum lease payments under non-cancellable operating leases for properties amounted to approximately HK$2.2 million (31 December 2016: HK$3.5 million).

Contingent liabilities

The Group had no significant contingent liabilities as at 30 June 2017 and 31 December 2016.

Interim dividend

The board (the "Board") of Directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

Warrant

On 14 August 2015, an extraordinary general meeting was held to approve an issue of 20,000,000 warrant to Haitong International Finance Company Limited ("Haitong"). The exercise price of the warrant is HK$0.6975. Upon full exercise of the warrants, a maximum of 20,000,000 unlisted warrant shares will be issued, representing (i) approximately 1.570% of the Company's issued share capital of 1,274,038,550 shares; and (ii) approximately 1.546% of the Company's issued share capital as enlarged by the issue of the warrant shares. For details, please refer to the circular dated 29 July 2015.

OTHER INFORMATION

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and any associated corporation

As at 30 June 2017, the following Directors of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (a) to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange:

Long positions of the Directors' interests in the shares and underlying shares of the Company as at 30 June 2017:

		Interests in shares				
Name of Directors	Capacity	Corporate interest	Personal interest	Interests in underlying shares pursuant to share options	Total number of shares interested	Approximate percentage of the Company's issued shares
Mr. Lo Siu Yu	Interest of controlled corporation and beneficial owner	760,373,018 *(Note a)*	25,000,000 *(Note b)*	–	785,373,018	61.64%
Mr. Cho Chun Wai	Beneficial owner	–	10,000	–	10,000	0.00%
Mr. Wang Xiaobo	Beneficial owner	–	–	2,850,000	2,850,000	0.22%
Mr. Qin Hong	Beneficial owner	–	–	2,100,000	2,100,000	0.16%
Dr. Zhu Wenhui	Beneficial owner	–	10,000	–	10,000	0.00%

Notes:

a. 670,373,018 shares were held by Money Success Limited, a company wholly-owned by Wealthy In Investments Limited, which is in turn wholly-owned by Mr. Lo. 60,000,000 shares were held by Sino Consult Asia Limited and 30,000,000 shares were held by Full Brilliant Limited, both are companies wholly-owned by Money Success Limited.

b. Such interests are held jointly with Ms. Chiu Kit Hung, the spouse of Mr. Lo.

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and any associated corporation *(continued)*

Save as disclosed above, as at 30 June 2017, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) 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 such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Equity-settled share option scheme

Share options were granted to eligible participants under a share option scheme approved and adopted by the shareholders of the Company at the annual general meeting held on 11 September 2008 ("Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed or will contribute to the growth and development of the Group.

Movement in the Company's outstanding share options granted under the Share Option Scheme during the six months ended 30 June 2017 is set out below:

	Date of grant	Exercisable period	Exercise price HK$	Closing price per share immediately before the date of grant HK$	No. of options outstanding as at 1 January 2017	No. of options granted during the six months ended 30 June 2017	No. of options exercised/ cancelled/ lapsed during the six months ended 30 June 2017	No. of options outstanding as at 30 June 2017	Approximate percentage of the underlying shares for the options outstanding in the issued shares of the Company
Mr. Wang Xiaobo *(Note 1)*	15 October 2010	15 October 2010 to 14 October 2020	1.638	1.610	2,850,000	–	–	2,850,000	0.22%
Mr. Qin Hong *(Note 2)*	2 December 2010	2 December 2010 to 1 December 2020	1.628	1.500	2,100,000	–	–	2,100,000	0.16%
Total					4,950,000	–	–	4,950,000	0.38%

Notes:

1. The options have a term of ten years commencing on 15 October 2010 and shall vest (if applicable) and become exercisable in three tranches in the proportion of approximately $33^1/_3$%, $33^1/_3$% and $33^1/_3$% on 15 October 2010, 15 October 2011 and 15 October 2012 respectively.

2. The options have a term of ten years commencing on 2 December 2010 and shall vest (if applicable) and become exercisable in three tranches in the proportion of approximately $33^1/_3$%, $33^1/_3$% and $33^1/_3$% on 2 December 2010, 2 December 2011 and 2 December 2012 respectively.

Substantial shareholders' interests and short positions in shares and underlying shares and debentures of the Company

As at 30 June 2017, according to the register of interests in shares of the Company and short positions of the Company required to be kept by the Company under section 336 of the SFO, the following persons or corporations, other than Directors or chief executives of the Company, having interests or short positions in the shares or underlying shares which would fall to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Long positions of substantial shareholders' interests in the shares of the Company:

Name of substantial shareholder	Capacity	Number of shares interested	Approximate percentage of the Company's issued shares
Ms. Chiu Kit Hung	Interest of spouse *(Note a)*	785,373,018	61.64%
Wealthy In Investments Limited	Interest of controlled corporation *(Note b)*	760,373,018	59.68%
Money Success Limited	Beneficial owner *(Note c)*	760,373,018	59.68%
Haitong International Finance Company Limited	Beneficial owner	20,000,000	1.57%
	Interest of controlled corporation	760,373,018	59.68%
Haitong International Holdings Limited	Interest of controlled corporation	780,373,018	61.25%
Haitong International Securities Group Limited	Interest of controlled corporation	780,373,018	61.25%
Haitong Securities Co., Ltd	Interest of controlled corporation	780,373,018	61.25%
Haitong International Credit Company Limited	Person having a security interest in shares	760,373,018	59.68%
Baoli International (Hong Kong) Trading Co. Limited	Beneficial owner	120,000,000	9.42%
Mr. Xue Yuewu	Beneficial owner *(Note d)*	108,000,000	8.48%
Mr. Gao Yi Xin	Interest of controlled corporation *(Note e)*	90,000,000	7.06%
Ms. Wang He Fen	Interest of controlled corporation *(Note e)*	90,000,000	7.06%
Mr. Huang Wu Jun	Interest of controlled corporation *(Note e)*	90,000,000	7.06%
Xinyuan International Marine Transportation Co. Ltd.	Beneficial owner *(Note e)*	90,000,000	7.06%

Substantial shareholders' interests and short positions in shares and underlying shares and debentures of the Company *(continued)*

Notes:

a. Ms. Chiu Kit Hung is the spouse of Mr. Lo, who is the Chairman and an executive Director of the Company.

b. Wealthy In Investments Limited is a company wholly-owned by Mr. Lo.

c. 670,373,018 shares were held by Money Success Limited, a company wholly-owned by Wealthy In Investments Limited, which is in turn wholly-owned by Mr. Lo. 60,000,000 shares were held by Sino Consult Asia Limited and 30,000,000 shares were held by Full Brilliant Limited, both are companies wholly-owned by Money Success Limited.

d. Mr. Xue Yuewu is the spouse of the Ms. Luo Shaoying, who is the executive Director of the Company.

e. 55%, 25% and 20% of the shareholdings of Xinyuan International Marine Transportation Co. Ltd were owned by Mr. Gao Yi Xin, Ms. Wang He Fen and Mr. Huang Wu Jun respectively.

Save as disclosed above, as at 30 June 2017, the Company had not been notified by any persons or corporations (other than Directors or chief executives of the Company) who had an interest directly or indirectly and/or short position in the shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of SFO.

Purchase, sale or redemption of shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares for the six months ended 30 June 2017.

Compliance with the Code on Corporate Governance Practices

The Company acknowledges the importance of good corporate governance practices and believes that it is essential to the development of the Group and to safeguard the interests of the shareholders. The Directors are of the opinion that the Company has complied with the code provisions ("Code Provision") as set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 14 of Listing Rules throughout the six months ended 30 June 2017, save for deviations from Code Provision A.4.1 and Code Provision E.1.2 as disclosed below:

Compliance with the Code on Corporate Governance Practices *(continued)*

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. None of the non-executive Directors of the Company is appointed for a specific term. However, in accordance with the articles of association of the company at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. The Company considered that this is no less exacting than those provided in the CG Code.

Code Provision E.1.2 specifies that the chairman of the Board should attend the annual general meeting. Mr. Lo, the chairman of the Board has been heavily involved in the business operation of the Group in the PRC. Despite his utmost intention to be present at the Company's annual general meeting held on 18 May 2017, he was unable to attend the said meeting. Mr. Lo undertakes that he will try his best to attend the future annual general meetings of the Company whenever possible.

The Company regularly reviews its corporate governance practices to ensure its compliance with the CG Code and its alignment with the latest development.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. The Company has made specific enquiry of all Directors and all Directors have confirmed with the Company that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2017.

Audit committee

The Company has established an audit committee ("Audit Committee") comprised all three independent non-executive Directors, namely, Mr. Chan Ying Kay, Dr. Zhu Wenhui and Mr. Wang Jin Ling with written terms of reference in compliance with the Listing Rules.

The Audit Committee has reviewed the Group's condensed consolidated interim financial information for the six months ended 30 June 2017 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that such financial information has been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory requirements and that adequate disclosures have been made in the interim report.

Appreciation

On behalf of the Board, I would like to take this opportunity to thank all employees for their contributions to the Group and all the shareholders for their continuous support.

By order of the Board
DOYEN INTERNATIONAL HOLDINGS LIMITED
Lo Siu Yu
Chairman

Hong Kong, 25 August 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

	Note	Six months ended 30 June 2017 HK$'000 (unaudited)	2016 HK$'000 (unaudited)
Revenue	*5*	**15,234**	22,542
Staff costs		**(6,404)**	(7,585)
Operating lease rentals		**(1,262)**	(1,695)
Business and other tax expenses		**(1,195)**	(209)
Depreciation		**(235)**	(293)
Other operating expenses		**(7,786)**	(11,831)
Other gains and losses	*6*	**9,720**	(6,594)
Other income	*7*	**256**	2,021
Profit/(Loss) from operations		**8,328**	(3,644)
Finance income	*8*	**19,655**	22,437
Finance costs	*8*	**(16,699)**	(14,026)
Finance income – net	*8*	**2,956**	8,411
Share of loss of an associate		**-**	(2,195)
Profit before tax		**11,284**	2,572
Income tax expense	*9*	**(1,718)**	(4,527)
Profit/(Loss) for the period	*10*	**9,566**	(1,955)
Attributable to:			
Owners of the Company		**6,528**	(4,359)
Non-controlling interests		**3,038**	2,404
		9,566	(1,955)
Earnings/(Loss) per share	*12*		
		HK cents	HK cents
Basic		**0.51**	(0.34)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit/(Loss) for the period	**9,566**	(1,955)
Other comprehensive income, net of tax:		
Item that will be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**21,437**	(18,482)
Total comprehensive income for the period	**31,003**	(20,437)
Attributable to:		
Owners of the Company	**22,412**	(11,551)
Non-controlling interests	**8,591**	(8,886)
	31,003	(20,437)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Note	**30 June 2017 HK$'000 (unaudited)**	31 December 2016 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*13*	**649**	805
Investment property	*14*	**319,630**	309,409
Intangible assets		**6,887**	7,096
Investment in an associate		**–**	–
Loan receivables	*15*	**97,840**	98,313
Deferred tax assets		**14,826**	13,170
		439,832	428,793
Current assets			
Loan receivables	*15*	**121,554**	133,110
Prepayments, deposits and other receivables		**3,475**	3,571
Financial assets at fair value through profit or loss		**57,717**	55,472
Amounts due from a related company	*16*	**487,700**	383,939
Pledged bank deposits		**4,653**	18,443
Bank and cash balances		**115,002**	196,533
		790,101	791,068
Current liabilities			
Accruals and other payables		**16,906**	15,140
Borrowings	*17*	**251,983**	250,238
Current tax liabilities		**12,504**	12,564
		281,393	277,942
Net current assets		**508,708**	513,126
Total assets less current liabilities		**948,540**	941,919
Non-current liabilities			
Borrowings	*17*	**89,617**	114,609
Deferred tax liabilities		**5,063**	4,453
		94,680	119,062
NET ASSETS		**853,860**	822,857
Capital and reserves			
Share capital	*18*	**1,174,378**	1,174,378
Deficit		**(509,793)**	(532,205)
Equity attributable to owners of the Company		**664,585**	642,173
Non-controlling interests		**189,275**	180,684
TOTAL EQUITY		**853,860**	822,857

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Attributable to owners of the Company								
	Share capital HK'000	Merger reserve HK'000	Exchange reserve HK'000	Statutory reserve HK'000	Other reserves HK'000	Retained earnings HK'000	Total HK'000	Non-controlling interests HK'000	Total equity HK'000
At 1 January 2016 (audited)	1,174,378	(409,968)	(24,542)	–	15,322	(19,225)	735,965	196,228	932,193
Total comprehensive income for the period	–	–	(7,192)	–	–	(4,359)	(11,551)	(8,886)	(20,437)
At 30 June 2016 (unaudited)	1,174,378	(409,968)	(31,734)	–	15,322	(23,584)	724,414	187,342	911,756
At 1 January 2017 (audited)	**1,174,378**	**(409,968)**	**(59,779)**	**3,916**	**11,618**	**(77,992)**	**642,173**	**180,684**	**822,857**
Total comprehensive income for the period	**-**	**-**	**15,884**	**-**	**-**	**6,528**	**22,412**	**8,591**	**31,003**
At 30 June 2017 (unaudited)	**1,174,378**	**(409,968)**	**(43,895)**	**3,916**	**11,618**	**(71,464)**	**664,585**	**189,275**	**853,860**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	**(9,471)**	49,847
Net cash used in investing activities	**(60,213)**	(33,414)
Net cash used in financing activities	**(16,699)**	(133)
Net (decrease)/increase in cash and cash equivalents	**(86,383)**	16,300
Cash and cash equivalents at beginning of period	**196,533**	213,195
Effect of foreign exchange rate changes	**4,852**	(11,124)
Cash and cash equivalents at end of period, represented by	**115,002**	218,371
Bank and cash balances	**115,002**	218,371

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Doyen International Holdings Limited (the "Company") was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business is Suites 2009-2010, 20th Floor, Harbour Centre, 25 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 together with its subsidiaries (collectively referred to as the "Group") are principally engaged in investment property holding in the People's Republic of China (the "PRC"), provision of financing to customers in the PRC (the "Dongkui business") and investment holding.

In the opinion of the Directors of the Company, as at 30 June 2017, Money Success Limited, a company incorporated in the British Virgin Islands (the "BVI"), is the immediate parent; Wealthy In Investments Limited, a company incorporated in the BVI, is the ultimate parent and Mr. Lo Siu Yu is the ultimate controlling party of the Company.

2. 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.

The financial information relating to the year ended 31 December 2016 that is included in these unaudited condensed financial statements for the six months ended 30 June 2017 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 622(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has report on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

These condensed financial statements should be read in conjunction with the 2016 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 2016 except as stated below.

3. 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 2017. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not have any significant effect on the condensed financial statements.

4. Fair value measurements

Except as disclosed below, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 30 June 2017:

Description	Fair value measurements as at 30 June 2017 Level 1 HK$'000	Level 3 HK$'000	Total 2017 HK$'000
Recurring fair value measurements:			
Financial assets			
Financial assets at fair value through profit or loss			
Listed equity securities	15,210	–	15,210
Unlisted PRC equity fund	–	42,507	42,507
	15,210	42,507	57,717
Investment property			
Shopping mall – PRC	–	319,630	319,630
Total	15,210	362,137	377,347

4. Fair value measurements *(continued)*

(a) Disclosures of level in fair value hierarchy at 30 June 2017: *(continued)*

Description	Fair value measurements as at 31 December 2016 Level 1 HK$'000	Level 3 HK$'000	Total 2016 HK$'000
Recurring fair value measurements:			
Financial assets			
Financial assets at fair value through profit or loss			
Listed equity securities	14,221	–	14,221
Unlisted PRC equity fund	–	41,251	41,251
	14,221	41,251	55,472
Investment property			
Shopping mall – PRC	–	309,409	309,409
Total	14,221	350,660	364,881

(b) Reconciliation of assets measured at fair value based on level 3:

Description	**Financial assets at fair value through profit or loss – Unlisted PRC equity fund HK$'000**	**Investment property HK$'000**	**Total 2017 HK$'000**
At 1 January 2017	**41,251**	**309,409**	**350,660**
Additions	**–**	**803**	**803**
Exchange differences	**1,256**	**9,418**	**10,674**
Total gains or losses recognised in profit or loss (#)	**–**	**–**	**–**
At 30 June 2017	**42,507**	**319,630**	**362,137**
(#) Include gains or losses for assets held at end of reporting period	**–**	**–**	**–**

Description	Financial assets at fair value through profit or loss – Unlisted PRC equity fund HK$'000	Investment property HK$'000	Total 2016 HK$'000
At 1 January 2016	38,689	351,935	390,624
Additions	–	244	244
Exchange differences	(843)	(3,695)	(4,538)
Total gains or losses recognised in profit or loss (#)	–	–	–
At 30 June 2016	37,846	348,484	386,330
(#) Include gains or losses for assets held at end of reporting period	–	–	–

4. Fair value measurements *(continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2017:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

The valuation technique and inputs used in level 3 fair value measurements for the Group's investment property are disclosed in note 14.

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Fair value As at 30 June 2017 HK$'000	 As at 31 December 2016 HK$'000
Financial assets at fair value through profit or loss – Unlisted PRC equity fund	Net asset value	N/A	N/A	**42,507**	41,251

The Directors have estimated the fair value of the unlisted PRC equity fund by reference to the fund's net asset value quoted by the fund manager. As the fund is not redeemable at the reporting date, the valuation is a level 3 fair value measurement.

There were no changes in the valuation technique used.

5. Segment information

Operating segments are identified and reported in the manner consistent with internal reports of the Group that are regularly reviewed by the chief operating decision-maker (the "CODM") in order to assess performance and allocate resources. The CODM, has been defined as the executive Directors who assess the performance of the operating segments based on the profit and loss generated.

The CODM reviews the business principally from an industry perspective and has identified two reportable segments. No operating segments have been aggregated to form the following reportable segments:

Investment property holding	–	property investment and rental activities
Dongkui business	–	provision of loan financing

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies.

The operation of 重慶寶旭商業管理有限公司 (for identification purpose, Chongqing Baoxu Commercial Property Management Limited ("Chongqing Baoxu")) represents the operating and reportable segment of investment property holding.

The operation of 東葵融資租賃(上海)有限公司 (for identification purpose, Dongkui Financial Leasing (Shanghai) Co. Ltd. ("Shanghai Dongkui")) represents the operating and reportable segment of Dongkui business.

The measure used for reporting segment profit is "profit after tax".

5. Segment information *(continued)*

Information about operating segment profit or loss:

	Investment property holding HK$'000 (unaudited)	Dongkui business HK$'000 (unaudited)	Total HK$'000 (unaudited)
Six months ended 30 June 2017			
Revenue from external customers	**5,191**	**10,043**	**15,234**
Depreciation	**(3)**	**(8)**	**(11)**
Finance income	**5,259**	**5,743**	**11,002**
Finance costs	**(2,901)**	**(1,131)**	**(4,032)**
Income tax credit/(expense)	**1,233**	**(2,951)**	**(1,718)**
Segment profit after tax	**3,599**	**8,735**	**12,334**
Six months ended 30 June 2016			
Revenue from external customers	5,686	16,856	22,542
Depreciation	(4)	(6)	(10)
Finance income	5,544	820	6,364
Finance costs	(3,715)	–	(3,715)
Income tax expenses	(2,727)	(1,800)	(4,527)
Segment profit after tax	1,060	9,303	10,363

Reconciliation of segment profit or loss:

	Six months ended 30 June	
	2017 HK$'000 (unaudited)	2016 HK$'000 (unaudited)
Total profit of reportable segments after tax	**12,334**	10,363
Share of loss of an associate	**–**	(2,195)
Unallocated amounts:		
Staff costs	**(4,197)**	(4,999)
Depreciation	**(224)**	(283)
Exchange gain/(loss) – net	**8,868**	(6,992)
Finance income	**8,653**	16,073
Finance costs	**(12,667)**	(10,311)
Other corporate expenses	**(3,201)**	(3,611)
Consolidated profit/(loss) after tax for the period	**9,566**	(1,955)

6. Other gains and losses

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Fair value gain on financial assets at fair value through profit or loss	**852**	398
Exchange gain/(loss) – net	**8,868**	(6,992)
	9,720	(6,594)

7. Other income

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Reimbursement of tax expenses from a related company	**–**	2,021
Dividend income from equity investments	**256**	–
	256	2,021

8. Finance income and costs

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Finance income		
Interest income on bank deposits	**1,216**	1,032
Interest income on loans to a related company	**18,439**	21,405
	19,655	22,437
Finance costs		
Interest on bank loans	**(4,031)**	(4,629)
Interest on other borrowings – bonds	**(12,668)**	(9,397)
	(16,699)	(14,026)
Finance income – net	**2,956**	8,411

9. Income tax expense

Income tax has been recognised in profit or loss as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax		
PRC Enterprise Income Tax ("EIT")	**1,718**	4,527

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits for the six months ended 30 June 2017 and 2016.

PRC EIT has been provided at a rate of 25% (2016: same).

According to the PRC EIT law and the relevant PRC issued implementation regulation, the Group is subject to PRC withholding income tax of 7% (2016: same) on the gross interest income from a related party.

Under the PRC EIT law, dividends received by foreign investors from investment in foreign-invested enterprises in respect of their profits earned since 1 January 2008 are subject to withholding tax of 5% to 10% unless reduced by treaty. Accordingly, deferred tax has been recognised for undistributed retained profits of PRC subsidiaries at a rate of 10% to the extent that the profits will be distributed in the foreseeable future.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

10. Profit/(Loss) for the period

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

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Auditor's remuneration		
– Audit	**–**	–
– Others	**264**	–
Amortisation of intangible assets	**209**	209
Direct operating expenses of investment property that generate rental income	**2,179**	1,833

11. Dividends

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2017 and 2016.

12. Earnings/(Loss) per share

The calculation of basic earnings/(loss) per share is based on the following:

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings/(Loss)		
Profit/(Loss) attributable to owners of the Company, used in the basic earnings/(loss) per share calculation	**6,528**	(4,359)

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares used in basic earnings/(loss) per share calculation	**1,274,039**	1,274,039

The Company's outstanding share options and warrants had no dilutive effect for the six months ended 30 June 2017 and 2016 as the exercise prices of those share options and warrants were higher than the average market price for shares. Accordingly, diluted earnings per share for the six months ended 30 June 2017 and 2016 has not been presented.

13. Property, plant and equipment

During the six months ended 30 June 2017, the Group acquired property, plant and equipment of approximately HK$75,000 (for the year ended 31 December 2016: HK$8,000). These acquisitions are in relation to furniture, fixture and equipment.

14. Investment property

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
At 1 January	**309,409**	351,935
Additions	**803**	1,463
Fair value loss	**–**	(22,505)
Exchange differences	**9,418**	(21,484)
Ending balance at fair value	**319,630**	309,409

The Group's investment property represents a shopping mall in the PRC. The Group's investment property held under operating lease for rental purposes is measured using fair value model. No valuation has been conducted by independent valuer for the current period. As at 30 June 2017, the Board considered no material changes in the fair value of the investment property during the period under review. The fair value as at 31 December 2016 was based on a valuation carried out by American Appraisal China Limited, an independent qualified professional valuer not connected with the Group with substantial experience in valuation of properties. The valuation was derived using the income capitalisation approach. The valuation is based on the capitalisation of the current rental income and reversionary income potential by adopting appropriate term/reversionary yields, which are derived from analysis of sales transactions and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have made reference to recent lettings within the subject property and other comparable properties.

15. Loan receivables

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Current assets	**121,554**	133,110
Non-current assets	**97,840**	98,313
Loans to customers	**219,394**	231,423

As at 30 June 2017, the Group's loans to customers comprise the following:

(a) Loans to customers of approximately HK$139 million (31 December 2016: HK$176 million) were secured by the plant and equipment of the relevant customers and repayable by instalments within three to five years from the draw-down dates. The effective interest rate on such loans ranged from 11.9% to 13.9% (31 December 2016: same) per annum.

(b) Loans to customers of approximately HK$80 million (31 December 2016: HK$55 million) with effective interest rate of 11% (31 December 2016: same) per annum. Such loans under a corporate guarantee was unsecured and repayable within one year.

15. Loan receivables *(continued)*

As at 30 June 2017, the Group's loan receivables were neither past due nor impaired. These relate to a number of independent customers for whom there is no recent history of default.

As at 30 June 2017, the carrying amount of loan receivables pledged as security for the Group's bank loans amounted to approximately HK$100 million (31 December 2016: HK$118 million) (note 17).

16. Amounts due from a related company

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Loan to a related company (note (a))	**483,420**	379,780
Interest income receivable	**–**	111
Reimbursement for tax expenses (note (b))	**4,280**	4,048
	487,700	383,939

Amounts due from a related company is denominated in RMB.

Note:

(a) On 11 November 2015, the Company and Chongqing Baoxu, a subsidiary of the Company, entered into two loan agreements (the "2016 Loans") with Chongqing Doyen, a company incorporated in the PRC and wholly owned by Mr. Lo, Director and ultimate controlling party of the Company, and his spouse whereby the Group agreed to advance two loans totalling RMB340 million to Chongqing Doyen. The 2016 Loans were unsecured, interest-bearing at 10.5% per annum and repayable within one year from the date of drawdown of the 2016 Loans, which was 22 January 2016. On 19 January 2017, the 2016 Loans were fully repaid.

On 8 November 2016, the Company and Chongqing Baoxu agreed to advance two loans of RMB80 million each to Chongqing Doyen. In addition, on 11 November 2016, Shanghai Dongkui, a subsidiary of the Company, entered into a loan agreement with Chongqing Doyen pursuant to which it agreed to advance a loan of RMB110 million to Chongqing Doyen. These three loans totalling RMB270 million (the "2017 Loans") were unsecured, interest-bearing at 10.5% per annum and repayable within one year from the date of drawdown of the 2017 Loans, which was 19 January 2017.

On 6 March 2017, the Company entered into a loan agreement (the "Doyen 2nd Loan") with Chongqing Doyen, pursuant to which it agreed to advance a loan of RMB 150 million to Chongqing Doyen. The Doyen 2nd Loan were unsecured, interest-bearing at 10.5% per annum and payable on the maturity date on 18 January 2018.

(b) In relation to the loans advanced by the Company to Chongqing Doyen, Chonging Doyen agrees to reimburse the Company any tax expenses on the interest income generated from the loans advanced by the Company.

17. Borrowings

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Bank loans – secured (note (a))	**146,600**	169,938
Bonds – unsecured (note (b))	**195,000**	194,909
	341,600	364,847

The borrowings are repayable as follows:

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Within one year	**251,983**	250,238
In the second year	**32,067**	45,919
In the third to fifth years	**57,550**	68,690
	341,600	364,847
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(251,983)**	(250,238)
Amount due for settlement after 12 months	**89,617**	114,609

(a) Bank loans – secured

The Group's bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. As at 30 June 2017, the effective interest rate ranging from 4.8% to 5.4% (31 December 2016: same) per annum.

As at 30 June 2017, the Group's bank loans of approximately HK$103.6 million (31 December 2016: HK$111.7 million) were secured by the Group's investment property and its right to receive rental income. The remaining bank loans of approximately HK$43.0 million (31 December 2016: HK$58.2 million) were secured by the Group's loan receivables and pledged bank deposits, and were guaranteed by Chongqing Doyen.

17. Borrowings *(continued)*

(b) Bonds – unsecured

In January 2015, the Group issued bonds (the "Bonds") with an aggregate face value of HK$195 million at par to Haitong International Finance Company Limited ("Haitong"). The Bonds are denominated in HK$, unsecured, bear interest at 9.5% per annum payable quarterly in arrears and has a maturity period of 24 months after the first issuance of the Bonds. The Bonds are guaranteed by Mr. Lo, Director and ultimate controlling party of the Company. In addition, the immediate parent of the Company undertakes that until the Bonds are fully repaid, its shares in the Company deposited in a designated margin securities account will not be at any time less than 52.19% of the total issued and outstanding shares of the Company, and will not be subject to any pledge (except in relation to the margin facility arranged). If there is any default on the Bonds, Haitong will have a right to sell the said shares which the immediate parent holds in the securities account for repayment of any outstanding amounts of the Bonds. Loan arrangement fees amounting to approximately HK$3.7 million have been a mortised over the term of the Bonds.

On 20 January 2017, the Group entered into a supplemental deed with Haitong and others whereby the parties agreed to amend certain terms and conditions of the Bonds. For details, please refer to Company's announcements dated 20 January 2017.

18. Share capital

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Issued and fully paid:		
1,274,039,000 ordinary shares	**1,174,378**	1,174,378

19. Related party transactions

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

(a) Transactions with related parties

Name of related party	**Nature of transactions**	**Six months ended 30 June 2017 HK$'000 (unaudited)**	2016 HK$'000 (unaudited)
Chongqing Doyen (note)	Interest income on loans to a related company	**18,439**	21,405
Chongqing Doyen	Reimbursement of tax expenses from a related company	**–**	2,021

19. Related party transactions *(continued)*

(b) Key management personnel compensation

The compensation paid or payable to key management personnel is as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Short-term benefits	**2,597**	2,614
Post-employment benefits	**24**	24
	2,621	2,638

As at 30 June 2017, included in accruals and other payables was HK$Nil (31 December 2016: HK$143,000) being accrued Directors' emoluments which are unsecured, interest-free and settled in cash.

Note:

Chongqing Doyen is considered as a related company of the Group as it is wholly owned by Mr. Lo, Director and ultimate controlling party of the Group, and his spouse.

20. Lease commitments

(a) The Group as lessee

At 30 June 2017, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2017	31 December 2016
	HK$'000	HK$'000
	(unaudited)	(audited)
Within one year	**2,239**	2,526
In the second to fifth years	**–**	1,018
	2,239	3,544

Operating lease payments represent rentals payable by the Group for its offices. Leases are negotiated for an average term of 2 years and rentals are fixed over the lease terms and do not include contingent rentals.

20. Lease commitments *(continued)*

(b) The Group as lessor

The Group leases out its investment property under operating leases. The leases typically run for a period of one to six years. None of the leases includes contingent rentals.

At 30 June 2017, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Within one year	**5,106**	4,011
In the second to fifth years	**72**	148
	5,178	4,159

21. Event after the reporting period

Save as disclosed, there have been no events to cause material impact on the Group from 30 June 2017 to the date of this report that need to be disclosed.