

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 555)

2017

Interim Report

中期報告



CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2017

簡明綜合收益表

截至二零一七年六月三十日止六個月

The board of directors (the “Board”) of REXLot Holdings Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 June 2017 together with the unaudited comparative figures for the corresponding period in 2016 as follows:

御泰中彩控股有限公司(「本公司」)董事會(「董事會」)謹此宣布本公司及其附屬公司(統稱「本集團」)截至二零一七年六月三十日止六個月之未經審核綜合中期業績，連同二零一六年同期之未經審核比較數字如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
Revenue	4	241,774	675,335
Cost of sales/services rendered		(117,614)	(335,493)
Other income		7,355	5,560
Other (losses)/gains, net		(11,645)	39,623
Selling and distribution expenses		(23,962)	(51,884)
Administrative expenses		(147,220)	(160,353)
Operating (loss)/profit		(51,312)	172,788
Finance costs		(41,913)	(81,499)
Share of losses of joint ventures		(4,106)	(521)
Loss on disposal of subsidiaries	19	(48,851)	-
(Loss)/profit before taxation	5	(146,182)	90,768
Taxation	6	2,919	(13,308)
(Loss)/profit for the period		(143,263)	77,460
Attributable to:			
Equity shareholders of the Company		(140,645)	82,159
Non-controlling interests		(2,618)	(4,699)
		(143,263)	77,460
(Loss)/earnings per share for (loss)/profit attributable to equity shareholders of the Company			
– Basic and diluted	8	(1.40) cents 仙	0.82 cent 仙

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

簡明綜合全面收益表

截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
(Loss)/profit for the period	期間(虧損)/溢利	(143,263)	77,460
Other comprehensive income/(expenses)	其他全面收益/(開支)		
Items that may be reclassified subsequent to profit or loss:	其後可能重新分類至損益之項目:		
Exchange difference arising from translation of financial statements of foreign operations	換算境外業務財務報表產生之匯兌差額	52,338	(48,325)
Release of exchange differences upon disposal of subsidiaries	出售附屬公司時解除匯兌差額	41,109	-
Share of other comprehensive income/(expenses) of joint ventures	分佔合營企業之其他全面收益/(開支)	4,191	(3,478)
Total other comprehensive income/(expenses)	其他全面收益/(開支)總額	97,638	(51,803)
Total comprehensive (expenses)/income for the period	期間全面(開支)/收益總額	(45,625)	25,657
Attributable to:	以下人士應佔:		
Equity shareholders of the Company	本公司權益股東	(45,391)	33,308
Non-controlling interests	非控股權益	(234)	(7,651)
		(45,625)	25,657

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

簡明綜合財務狀況表

於二零一七年六月三十日

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	Notes 附註		
ASSETS			
Non-current assets			
Property, plant and equipment		43,611	46,633
Prepaid lease payments on land use rights		723	723
Goodwill		301,283	301,283
Intangible assets		158	331
Interests in joint ventures		169,351	169,266
Available-for-sale financial assets		297,638	288,806
Deferred tax assets		80	77
Total non-current assets		<u>812,844</u>	<u>807,119</u>
Current assets			
Inventories		21,813	7,956
Trade receivables	9	461,858	490,836
Utility and other deposits		1,499,981	1,533,259
Prepayments and other receivables		1,852,319	1,839,938
Amount due from related parties		350,000	-
Financial assets at fair value through profit or loss	17	76	132
Cash and bank balances	10	1,726,067	2,136,962
		<u>5,912,114</u>	<u>6,009,083</u>
Assets of the disposal group classified as held for sale	18	-	2,295,597
Total current assets		<u>5,912,114</u>	<u>8,304,680</u>
Total assets		<u>6,724,958</u>	<u>9,111,799</u>
EQUITY			
Capital and reserves attributable to equity shareholders of the Company			
Share capital	14	100,285	100,285
Reserves		5,310,658	5,356,049
		<u>5,410,943</u>	<u>5,456,334</u>
Non-controlling interests		50,850	54,843
Total equity		<u>5,461,793</u>	<u>5,511,177</u>

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION** (continued)

At 30 June 2017

簡明綜合財務狀況表

(續)

於二零一七年六月三十日

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	Notes 附註		
LIABILITIES			
Non-current liabilities			
Amount due to a joint venture		46,195	46,195
Deferred tax liabilities		44,743	163,245
Convertible bonds	11	-	201,740
Total non-current liabilities		<u>90,938</u>	<u>411,180</u>
Current liabilities			
Trade payables	12	24,349	1,801
Other payables and accruals		77,782	77,271
Bank borrowings	13	5,724	4,901
Current portion of convertible bonds	11	652,308	1,431,040
Obligations under finance leases		-	8,268
Amount due to related parties	17	410,662	1,259,967
Current tax liabilities		1,402	2,211
		<u>1,172,227</u>	<u>2,785,459</u>
Liabilities directly associated with the assets of the disposal group classified as held for sale	18	-	403,983
Total current liabilities		<u>1,172,227</u>	<u>3,189,442</u>
Total liabilities		<u>1,263,165</u>	<u>3,600,622</u>
Total equity and liabilities		<u>6,724,958</u>	<u>9,111,799</u>
Net current assets		<u>4,739,887</u>	<u>5,115,238</u>
Total assets less current liabilities		<u>5,552,731</u>	<u>5,922,357</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

簡明綜合權益變動表

截至二零一七年六月三十日止六個月

		Attributable to equity shareholders of the Company									
		本公司權益股東應佔									
		Share capital	Share premium	Capital redemption reserve	Convertible bonds reserve	Share-based payment reserve	Exchange translation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本贖回儲備	可換股債券儲備	以股份支付款項之儲備	匯兌儲備	保留溢利	合計	非控股權益	權益總額
		HK\$'000	HK\$'000	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	千港元	千港元
At 31 December 2015	於二零一五年十二月三十一日	99,835	4,012,930	3,025	394,287	6,329	3,015	1,451,736	5,971,157	114,246	6,085,403
Profit/(loss) for the period	期間溢利/(虧損)	-	-	-	-	-	-	82,159	82,159	(4,699)	77,460
Other comprehensive expenses for the period	期間其他全面開支	-	-	-	-	-	(48,851)	-	(48,851)	(2,952)	(51,803)
Total comprehensive income/(expenses) for the period ended 30 June 2016	截至二零一六年六月三十日止期間全面收益/(開支)總額	-	-	-	-	-	(48,851)	82,159	33,308	(7,651)	25,657
Lapse of share options	購股權失效	-	-	-	-	(6,329)	-	6,329	-	-	-
Redemption of convertible bonds	贖回可換股債券	-	-	-	(26,774)	-	-	11,107	(15,667)	-	(15,667)
At 30 June 2016	於二零一六年六月三十日	99,835	4,012,930	3,025	367,513	-	(45,836)	1,551,331	5,988,798	106,595	6,095,393
At 31 December 2016	於二零一六年十二月三十一日	100,285	4,018,663	3,025	305,257	9,053	(133,491)	1,153,542	5,456,334	54,843	5,511,177
Loss for the period	期間虧損	-	-	-	-	-	-	(140,645)	(140,645)	(2,618)	(143,263)
Other comprehensive income for the period	期間其他全面收益	-	-	-	-	-	-	-	-	-	-
Release of exchange differences upon disposal of subsidiaries	出售附屬公司時解除匯兌差額	-	-	-	-	-	54,145	-	54,145	2,384	56,529
		-	-	-	-	-	41,109	-	41,109	-	41,109
Total comprehensive income/(expenses) for the period ended 30 June 2017	截至二零一七年六月三十日止期間全面收益/(開支)總額	-	-	-	-	-	95,254	(140,645)	(45,391)	(234)	(45,625)
Disposal of subsidiaries (Note 19)	出售附屬公司(附註19)	-	-	-	-	-	-	-	-	(3,759)	(3,759)
Redemption of convertible bonds	贖回可換股債券	-	-	-	(184,808)	-	-	184,808	-	-	-
At 30 June 2017	於二零一七年六月三十日	100,285	4,018,663*	3,025*	120,449*	9,053*	(38,237)*	1,197,705*	5,410,943	50,850	5,461,793

* These reserve accounts comprise the consolidated reserves of approximately HK\$5,310,658,000 in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表內之綜合儲備約 5,310,658,000 港元。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

簡明綜合現金流量表

截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
Net cash (used in)/generated from operating activities	經營業務(所用)/所得現金淨額	(199,488)	30,397
Net cash used in investing activities	投資活動所用現金淨額	(159,785)	(18,066)
Net cash used in financing activities	融資活動所用現金淨額	(665,681)	(135,709)
Decrease in cash and cash equivalents	現金及現金等價物減少	(1,024,954)	(123,378)
Exchange gain/(loss) on cash and cash equivalents	現金及現金等價物之 匯兌收益/(虧損)	39,490	(12,358)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	<u>2,237,048</u>	<u>751,032</u>
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	<u>1,251,584</u>	<u>615,296</u>
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash at banks – general accounts	銀行現金—一般賬戶	1,250,371	538,127
Cash and bank balances included in a disposal group classified as held for sale (Note 18)	計入分類為持作出售之 出售集團之現金及銀行結餘 (附註18)	–	76,251
Cash in hand	手頭現金	<u>1,213</u>	<u>918</u>
Cash and cash equivalents	現金及現金等價物	1,251,584	615,296
Fixed bank deposits	定期銀行存款	<u>474,483</u>	–
Cash and bank balances (Note 10)	現金及銀行結餘(附註10)	<u>1,726,067</u>	<u>615,296</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

未經審核簡明中期財務報表附註

截至二零一七年六月三十日止六個月

1. BASIS OF PREPARATION

General

The unaudited condensed consolidated interim financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016 except for the adoption of new and revised standard and interpretation with effect from 1 January 2017.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2017.

Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 cycle
Amendments to HKAS 7	Statement of cash flows: Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception

The adoption of the new or revised Hong Kong Financial Reporting Standards (“HKFRS”) had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

1. 編製基準

一般資料

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六之適用披露規定及香港會計師公會頒布之香港會計準則第34號「中期財務報告」編製。

2. 主要會計政策

簡明綜合財務報表所用之會計政策與編製本集團截至二零一六年十二月三十一日止年度之年度財務報表時所依循者一致，惟採納由二零一七年一月一日起生效之新訂及經修訂準則以及詮釋除外。

於本中期間，本集團首次應用以下由香港會計師公會頒布，並於本集團由二零一七年一月一日開始之財政年度生效之新訂及經修訂準則、修訂及詮釋。

香港財務報告準則之修訂	香港財務報告準則之年度改進（二零一四年至二零一六年週期）
香港會計準則第7號之修訂	現金流量表：披露計劃
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
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號之修訂	投資實體：應用綜合入賬之例外情況

採納新訂或經修訂香港財務報告準則對本會計期間或過往會計期間之業績及財務狀況之編製及呈列方式並無重大影響。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

未經審核簡明 中期財務報表附註(續)

截至二零一七年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

The Group has not early applied the following new or revised standards and amendments that have been issued but are not yet effective.

Amendments to HKFRS 2 ¹	Classification and measurement of share-based payment transactions
Amendments to HKFRS 4 ¹	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts
Amendments to HKFRS 10 and HKAS 28 ³	Sales or contribution of assets between an investor and its associate or joint venture
Amendments to HKFRS 15 ¹	Clarification to HKFRS 15
Amendments to HKAS 28 ¹	Investments in associate and joint ventures as part of annual improvements to HKFRSs 2014-2016 cycle
Amendments to HKAS 40 ¹	Transfers of investment property
HKFRS 9 ¹	Financial instruments
HKFRS 15 ¹	Revenue from contracts with customers
HKFRS 16 ²	Leases
HK(IFRIC) – Int 22 ¹	Foreign currency transactions and advance consideration
HK(IFRIC) – Int 23 ²	Uncertainty over income tax treatments

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ To be determined

The Group has not early adopted the new HKFRSs that have been issued but not yet effective. The directors of the Company (the “Directors”) are currently assessing the impact of these new HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group’s result of operations and financial position.

2. 主要會計政策(續)

本集團並無提早應用以下已頒布但未生效之新訂或經修訂準則及修訂。

香港財務報告準則第2號之修訂 ¹	以股份支付款項交易之分類及計量
香港財務報告準則第4號之修訂 ¹	對香港財務報告準則第4號之保險合約應用香港財務報告準則第9號金融工具
香港財務報告準則第10號及香港會計準則第28號之修訂 ³	投資者與其聯營公司或合營企業間之資產銷售或投入
香港財務報告準則第15號之修訂 ¹	釐清香港財務報告準則第15號
香港會計準則第28號之修訂 ¹	於聯營公司及合營企業之投資(作為香港財務報告準則之年度改進(二零一四年至二零一六年週期)之一部分)
香港會計準則第40號之修訂 ¹	轉讓投資物業
香港財務報告準則第9號 ¹	金融工具
香港財務報告準則第15號 ¹	客戶合約收入
香港財務報告準則第16號 ²	租賃
香港(國際財務報告詮釋委員會) – 詮釋第22號 ¹	外幣交易及預付代價
香港(國際財務報告詮釋委員會) – 詮釋第23號 ²	所得稅處理之不確定因素

¹ 於二零一八年一月一日或之後開始之年度期間生效

² 於二零一九年一月一日或之後開始之年度期間生效

³ 有待釐定

本集團並無提早採納已頒布但未生效之新訂香港財務報告準則。本公司董事(「董事」)現正評估該等新訂香港財務報告準則之影響，但未能斷定有關準則對本集團之經營業績及財務狀況會否產生重大財務影響。

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS** (continued)

For the six months ended 30 June 2017

**未經審核簡明
中期財務報表附註** (續)

截至二零一七年六月三十日止六個月

3. SEGMENT INFORMATION

The Group manages its businesses by segment which is organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resources allocation and performance assessment, the Group has presented lottery business as the reportable segment.

Segment results

3. 分部資料

本集團以業務線(產品和服務)劃分分部以管理業務。本集團按與就資源分配及表現評估向本集團首要營運決策人內部呈報資料方式一致之方法，呈列彩票業務作為報告分部。

分部業績

		Lottery business	
		彩票業務	
		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入	241,774	675,335
Segment results	分部業績	28,400	199,736
Loss on disposal of subsidiaries (Note 19)	出售附屬公司之虧損 (附註19)	(48,851)	-
Net unallocated expenses	未分類開支淨額	(125,731)	(108,968)
(Loss)/profit before taxation	除稅前(虧損)/溢利	(146,182)	90,768
Taxation	稅項	2,919	(13,308)
(Loss)/profit for the period	期間(虧損)/溢利	(143,263)	77,460

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS** (continued)

For the six months ended 30 June 2017

**未經審核簡明
中期財務報表附註** (續)

截至二零一七年六月三十日止六個月

3. SEGMENT INFORMATION (continued)
Segment assets and liabilities

		Lottery business 彩票業務	
		At	At
		30 June	31 December
		2017	2016
		於二零一七年	於二零一六年
		六月三十日	十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Assets	資產		
Segment assets	分部資產	6,530,293	6,584,993
Assets of the disposal group classified as held for sale (Note 18)	分類為持作出售之 出售組別之資產 (附註18)	-	2,295,597
Unallocated assets	未分類資產	194,665	231,209
Total assets	資產總值	<u>6,724,958</u>	<u>9,111,799</u>
Liabilities	負債		
Segment liabilities	分部負債	184,875	277,757
Liabilities directly associated with the assets of the disposal group classified as held for sale (Note 18)	與分類為持作出售之 出售組別之資產直接 相關之負債(附註18)	-	403,983
Unallocated liabilities	未分類負債	1,078,290	2,918,882
Total liabilities	負債總額	<u>1,263,165</u>	<u>3,600,622</u>

4. REVENUE

Revenue represents the aggregate of income from provision of lottery products and related services and commission income.

4. 收入

收入指提供彩票產品及相關服務收入及佣金收入之總和。

		Six months ended 30 June 截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入		
Income from provision of lottery products and related services	提供彩票產品及相關服務收入	<u>241,774</u>	<u>675,335</u>

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5. (LOSS)/PROFIT BEFORE TAXATION

The Group's (loss)/profit before taxation is stated after charging the following:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation and amortisation on:	以下項目之折舊及攤銷：		
– Property, plant and equipment	– 物業、廠房及設備	6,261	22,344
– Prepaid lease payments on land use rights	– 土地使用權之預付租約付款	79	461
– Intangible assets	– 無形資產	1,515	7,744
Operating lease rentals in respect of machinery, office premises and warehouses	機器、辦公室物業及倉庫之經營租賃租金	<u>11,281</u>	<u>18,162</u>

6. TAXATION

No provision for Hong Kong profits tax is made as the Group has no estimated assessable profits for the six months ended 30 June 2017 (2016: Nil). Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rate of taxation prevailing in the countries in which the Group operates.

5. 除稅前(虧損)/溢利

本集團除稅前(虧損)/溢利於呈列前已扣除以下各項：

6. 稅項

由於本集團於截至二零一七年六月三十日止六個月並無任何估計應課稅溢利，故並無作出香港利得稅撥備(二零一六年：無)。海外利得稅按照期內估計應課稅溢利以本集團經營業務所在國家之現行稅率計算。

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Current tax	當期稅項		
– (Over-provision) PRC income tax	– 中國所得稅(超額撥備)	(3,397)	12,366
Deferred tax	遞延稅項	<u>478</u>	<u>942</u>
Taxation (credit)/charge	稅項(抵免)/支出	<u>(2,919)</u>	<u>13,308</u>

7. DIVIDEND

The Board does not recommend the payment of dividend in respect of the six months ended 30 June 2017 (2016: Nil).

7. 股息

董事會不建議派付截至二零一七年六月三十日止六個月之股息(二零一六年：無)。

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8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted loss per share for the six months ended 30 June 2017 are based on the loss attributable to equity shareholders of the Company of approximately HK\$140,645,000 (profit attributable to equity shareholders for 2016: approximately HK\$82,159,000).

- (a) The basic (loss)/earnings per share is based on the weighted average number of approximately 10,028,495,338 (2016: approximately 9,983,495,338) ordinary shares in issue during the six months ended 30 June 2017.
- (b) The calculation of diluted (loss)/earnings per share is based on the Group's (loss)/profit attributable to equity shareholders of the Company and adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all potentially dilutive ordinary shares into ordinary shares of the Company.

Diluted (loss)/earnings per share for the six months period ended 30 June 2017 and 30 June 2016 are same as the basic (loss)/earnings per share as both the share options and the convertible bonds outstanding during the periods had an anti-dilutive effect on the basic (loss)/earnings per share.

9. TRADE RECEIVABLES

Trade receivables – Lottery business

The Group generally grants credit periods of 90 to 270 days to its trade customers.

8. 每股(虧損)/盈利

截至二零一七年六月三十日止六個月之每股基本及攤薄虧損乃按本公司權益股東應佔虧損約140,645,000港元(二零一六年:權益股東應佔溢利約82,159,000港元)計算。

- (a) 每股基本(虧損)/盈利乃按截至二零一七年六月三十日止六個月之已發行普通股之加權平均數約10,028,495,338股(二零一六年:約9,983,495,338股)計算。
- (b) 每股攤薄(虧損)/盈利乃按本公司權益股東應佔本集團(虧損)/溢利計算,並作出調整以反映可換股債券之利息。計算所採用之普通股加權平均數為期內已發行普通股數目(與計算每股基本(虧損)/盈利所採用者相同)及假設於所有潛在攤薄普通股被視作行使或轉換為本公司普通股時無償發行之普通股之加權平均數。

由於截至二零一七年六月三十日及二零一六年六月三十日止六個月期間尚未行使之購股權及尚未轉換之可換股債券對每股基本(虧損)/盈利具有反攤薄影響,故期內之每股攤薄(虧損)/盈利與每股基本(虧損)/盈利相同。

9. 應收貿易賬款

At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
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應收貿易賬款—彩票業務

461,858

490,836

本集團一般授予貿易客戶90天至270天之信貸期。

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9. TRADE RECEIVABLES (continued)

The ageing analysis of trade receivables – Lottery business based on invoice date is as follows:

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Three months or less	三個月或以下	101,686	224,922
One year or less but over three months	一年或以下但三個月以上	302,531	189,745
Over one year	一年以上	57,641	76,169
		461,858	490,836

10. CASH AND BANK BALANCES

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Fixed bank deposits	定期銀行存款	474,483	-
Cash at banks	銀行現金		
– general accounts	– 一般賬戶	1,250,371	2,136,292
Cash in hand	手頭現金	1,213	670
		1,251,584	2,136,962
		1,726,067	2,136,962

Fixed bank deposits represented fixed bank deposits with maturity at acquisition over 3 months and within 1 year.

9. 應收貿易賬款 (續)

應收貿易賬款—彩票業務基於發票日期之賬齡分析如下：

10. 現金及銀行結餘

定期銀行存款指於收購後三個月以上及一年內到期之定期銀行存款。

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10. CASH AND BANK BALANCES (continued)

Cash and bank balances include the following amounts denominated in currencies other than the Company's functional currency, HK dollars:

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) '000 千元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) '000 千元
US dollars	美元	29,535	29,926
Renminbi	人民幣	<u>755,731</u>	<u>1,001,342</u>

11. CONVERTIBLE BONDS

The movement of the liability component of the convertible bonds for the period is set out below:

		Convertible bonds due 2019 ("2019 Bonds") 二零一九年 到期之 可換股債券 (「二零一九年 債券」) HK\$'000 千港元	Convertible bonds due 2016 ("2016 Bonds") 二零一六年 到期之 可換股債券 (「二零一六年 債券」) HK\$'000 千港元	Total 合計 HK\$'000 千港元
Carrying amounts at 31 December 2016	於二零一六年 十二月三十一日之賬面值	1,377,049	255,731	1,632,780
Redemption during the period	期內贖回	(834,906)	(154,823)	(989,729)
Interest expense	利息開支	33,711	5,806	39,517
Interest payable	應付利息	<u>(24,454)</u>	<u>(5,806)</u>	<u>(30,260)</u>
Carrying amounts at 30 June 2017	於二零一七年 六月三十日之賬面值	<u>551,400</u>	<u>100,908</u>	<u>652,308</u>

The 2016 Bonds and the 2019 Bonds are together referred to as the "Bonds". On 29 March 2017, the Company redeemed the Bonds with principal amount of HK\$1,000,850,863.56 at HK\$1,000,850,863.56 and a loss of approximately HK\$11,122,000 from the redemption was recognised in profit or loss. Immediately after the redemption and at the end of the reporting period, the Bonds with principal amount of HK\$652,309,129.36 remain outstanding.

Further details of the Bonds are disclosed in the sub-section headed "Convertible Bonds" under the section headed "Management Discussion and Analysis" in this report.

10. 現金及銀行結餘 (續)

在現金及銀行結餘中，包括下列以本公司功能貨幣港元以外貨幣列值之款額：

11. 可換股債券

可換股債券負債部分之期內變動載列如下：

二零一六年債券及二零一九年債券統稱為「該等債券」。於二零一七年三月二十九日，本公司以1,000,850,863.56港元贖回本金額為1,000,850,863.56港元之該等債券，因贖回而產生之虧損約11,122,000港元已於損益確認。緊隨贖回後及於報告期末，本金額652,309,129.36港元之該等債券仍未償還。

該等債券之進一步詳情於本報告「管理層討論及分析」一節「可換股債券」分節中披露。

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12. TRADE PAYABLES

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Other client payables	應付其他客戶賬款	314	314
Trade payables – Lottery business	應付貿易賬款—彩票業務	<u>24,035</u>	<u>1,487</u>
		<u>24,349</u>	<u>1,801</u>

Other client payables are repayable on demand and bear interest at prevailing market rates.

No ageing analysis is disclosed for other client payables as, in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business.

Trade payables – Lottery business are expected to be settled within one year or are repayable on demand.

The ageing analysis of the Group's trade payables – Lottery business based on invoice date is as follows:

12. 應付貿易賬款

應付其他客戶賬款須按要求償還，並按現行市場利率計息。

由於董事認為基於業務性質，賬齡分析意義不大，因此並無披露應付其他客戶賬款之賬齡分析。

應付貿易賬款—彩票業務預期於一年內支付或須按要求償還。

本集團應付貿易賬款—彩票業務基於發票日期之賬齡分析如下：

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Three months or less	三個月或以下	8,579	-
Over three months	三個月以上	<u>15,456</u>	<u>1,487</u>
		<u>24,035</u>	<u>1,487</u>

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13. BANK BORROWINGS

13. 銀行借貸

	At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Bank loans		
– secured and due within one year	5,724	4,901

銀行貸款
– 有抵押及於一年內到期

銀行貸款
– 有抵押及於一年內到期

Bank loans are repayable within one year or when the facility is withdrawn. These borrowings are used to finance the lottery business of the Group.

銀行貸款須於一年內或信貸撤回時償還。該等借貸用作本集團彩票業務之所需資金。

The bank loans of approximately HK\$5,724,000 (31 December 2016: approximately HK\$4,901,000) are secured by the trade receivables of a subsidiary of approximately HK\$11,075,000 (31 December 2016: approximately HK\$15,052,000) and guaranteed by a subsidiary of the Group.

約5,724,000港元(二零一六年十二月三十一日:約4,901,000港元)之銀行貸款以一間附屬公司約11,075,000港元(二零一六年十二月三十一日:約15,052,000港元)之應收貿易賬款作抵押,並由本集團一間附屬公司擔保。

The effective interest rates on the Group's borrowings are equal to contractual interest rates.

本集團借貸之實際利率相等於合約利率。

14. SHARE CAPITAL

Authorised:

14. 股本

法定:

	Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股	
	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
At 31 December 2016 and at 30 June 2017	20,000,000	200,000

於二零一六年十二月三十一日及
於二零一七年六月三十日

於二零一六年十二月三十一日及
於二零一七年六月三十日

Issued and fully paid:

已發行及繳足:

	Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股	
	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
At 31 December 2016 and at 30 June 2017	10,028,496	100,285

於二零一六年十二月三十一日及
於二零一七年六月三十日

於二零一六年十二月三十一日及
於二零一七年六月三十日

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15. COMMITMENTS

- (a) Capital commitments outstanding at 30 June 2017 not provided for in the consolidated financial statements are as follows:

	At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Contracted for		
– increase in registered capital of a subsidiary	84,000	84,000

- (b) As at 30 June 2017, the Group's future aggregate minimum lease payments under non-cancellable operating leases are payable as follows:

		As at 30 June 2017 於二零一七年六月三十日		
		Land and buildings 土地及樓宇 (Unaudited) (未經審核) HK\$'000 千港元	Factory equipment 廠房設備 (Unaudited) (未經審核) HK\$'000 千港元	Total 合計 (Unaudited) (未經審核) HK\$'000 千港元
Within one year	一年內	11,309	8,621	19,930
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	16,615	34,483	51,098
More than five years	五年以上	–	38,654	38,654
		<u>27,924</u>	<u>81,758</u>	<u>109,682</u>

15. 承擔

- (a) 於二零一七年六月三十日並未在綜合財務報表撥備之未付資本承擔如下：

	At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Contracted for		
– increase in registered capital of a subsidiary	84,000	84,000

- (b) 於二零一七年六月三十日，本集團根據不可撤銷經營租賃應付之未來最低租約付款總額如下：

		As at 30 June 2017 於二零一七年六月三十日		
		Land and buildings 土地及樓宇 (Unaudited) (未經審核) HK\$'000 千港元	Factory equipment 廠房設備 (Unaudited) (未經審核) HK\$'000 千港元	Total 合計 (Unaudited) (未經審核) HK\$'000 千港元
Within one year	一年內	11,309	8,621	19,930
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	16,615	34,483	51,098
More than five years	五年以上	–	38,654	38,654
		<u>27,924</u>	<u>81,758</u>	<u>109,682</u>

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15. COMMITMENTS (continued)
(b) (continued)

The Group leases various office and factory premises, office equipment and warehouses under operating leases. The leases run for an initial period of 1 to 9 years (2016: 1 to 10 years). The leases do not include any contingent rentals.

16. CONTINGENT LIABILITIES

Financial guarantees issued

As at 30 June 2017 and 31 December 2016, one of subsidiaries of the Group has issued a corporate guarantee to a bank for the bank loans granted to another subsidiary of the Group.

As at 31 December 2016, certain subsidiaries of the Group had issued corporate guarantees in respect of the finance lease obligation under a sales and leaseback arrangement granted to a subsidiary of the Group. These corporate guarantees expired when the lease was terminated during the period ended 30 June 2017.

As at 30 June 2017 and 31 December 2016, the Directors did not consider it probable that a claim will be made against these subsidiaries under any of the guarantees.

15. 承擔 (續)
(b) (續)

		As at 31 December 2016 於二零一六年十二月三十一日		
		Land and buildings 土地及樓宇 (Audited) (經審核) HK\$'000 千港元	Factory equipment 廠房設備 (Audited) (經審核) HK\$'000 千港元	Total 合計 (Audited) (經審核) HK\$'000 千港元
Within one year	一年內	10,879	8,378	19,257
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	1,723	33,405	35,128
More than five years	五年以上	–	41,319	41,319
		<u>12,602</u>	<u>83,102</u>	<u>95,704</u>

本集團根據經營租賃租用多個辦公室及廠房物業、辦公室設備及倉庫。該等租賃初步為期一至九年(二零一六年:一至十年)不等,並不包括任何或然租金。

16. 或然負債

已發出之財務擔保

於二零一七年六月三十日及二零一六年十二月三十一日,本集團其中一間附屬公司已就本集團另一間附屬公司獲授之銀行貸款向一間銀行發出公司擔保。

於二零一六年十二月三十一日,本集團若干附屬公司已就本集團一間附屬公司獲授之售後租回安排下之融資租賃債務發出公司擔保。該等公司擔保已於截至二零一七年六月三十日止期間租賃終止時到期。

於二零一七年六月三十日及二零一六年十二月三十一日,董事認為根據任何該等擔保向該等附屬公司提出申索之機會不大。

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS** (continued)

For the six months ended 30 June 2017

**未經審核簡明
中期財務報表附註** (續)

截至二零一七年六月三十日止六個月

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Details of the Group's significant transactions and balances with the following related parties during the period are as follows:

17. 關聯方交易及結餘

本集團於期內曾與以下關聯方進行重大交易及結餘，詳情如下：

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Shareholder:	股東：		
Balance due from the Group (Note)	應收本集團結餘 (附註)	410,662	280,000
Convertible bonds	可換股債券	87,064	220,647
Companies connected with Director:	與董事有關連之公司：		
Balance due from the Group	應收本集團結餘	-	357,867
Deposits received on sales of the disposal group	出售出售集團之 已收按金	-	622,100
Withheld tax amount on sales of the disposal group	出售出售集團之 預扣稅	<u>350,000</u>	<u>-</u>

**NOTES TO THE UNAUDITED CONDENSED
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For the six months ended 30 June 2017

**未經審核簡明
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截至二零一七年六月三十日止六個月

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES
(continued)

17. 關聯方交易及結餘 (續)

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
Transactions with Director/Shareholder:			
與董事／股東交易：			
Convertible bonds interest paid	已付可換股債券利息	3,861	6,393
Interest on amount due to a shareholder	應付一名股東款項利息	1,532	418
Redemption of convertible bonds	贖回可換股債券	133,583	19,353
Consent fee paid for delaying redemption of convertible bonds	就延遲贖回可換股債券支付之同意費	<u>131</u>	<u>2,367</u>
Compensation of directors of the Group during the period are as follows:	期內本集團之董事補償如下：		
Fees, salary and other short-term employee benefits	袍金、薪金及其他短期僱員福利	4,572	3,881
Pension scheme contributions	退休金計劃供款	<u>9</u>	<u>9</u>
		<u>4,581</u>	<u>3,890</u>

Note:

The balance due to a shareholder is unsecured and repayable with one year. As at 30 June 2017, except for the balance of approximately HK\$133,583,000 bearing interest at 4.5% per annum, the remaining balance of approximately HK\$277,079,000 is interest free.

附註：

應付一名股東結餘為無抵押及須於一年內償還。於二零一七年六月三十日，除約133,583,000港元之結餘按年利率4.5厘計息外，餘下約277,079,000港元之結餘為免息。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

未經審核簡明 中期財務報表附註(續)

截至二零一七年六月三十日止六個月

18. ASSETS/LIABILITIES OF THE DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 4 January 2016, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement (as supplemented and amended on 23 February 2016 and 2 August 2016) (the "Sale and Purchase Agreement") with a related party, Sunjet Investments Limited, in which a Director (who is also a substantial shareholder of the Company) has beneficial interest, for the disposal of entire interests in Multi Glory Limited ("Multi Glory") and the loan due from Multi Glory to the Group for a cash consideration of HK\$2,150,000,000 (the "Disposal"). Restructuring (the "Restructuring") was carried out to put the Disposal Group (as defined below) in place before completion of the Disposal. After the Restructuring, Multi Glory, through certain wholly-owned subsidiaries, held 100% interest in 深圳市思樂數據技術有限公司 (Shenzhen Sinodata Technology Co. Ltd.*) and its wholly-owned/non-wholly-owned subsidiaries (hereinafter collectively referred to as the "Disposal Group"). The principal activities of the Disposal Group are design and provision of lottery systems and equipment for lottery in the PRC for traditional Welfare Computer Ticket Games operations. The Disposal was completed in February 2017. As a result of the completion of the Disposal, the Disposal Group has ceased to be subsidiaries of the Company. Further details are set out in the Company's announcements dated 5 January 2016, 23 February 2016, 29 March 2016, 29 April 2016, 19 May 2016, 27 July 2016, 2 August 2016, 9 January 2017, 27 January 2017 and 14 February 2017 respectively and circulars dated 29 February 2016 and 30 September 2016.

18. 分類為持作出售之出售組別之 資產／負債

於二零一六年一月四日，本公司一間全資附屬公司與關聯方Sunjet Investments Limited (一名身兼本公司主要股東之董事擁有其實益權益)訂立買賣協議(於二零一六年二月二十三日及二零一六年八月二日經補充及修訂)(「買賣協議」)，出售Multi Glory Limited (「Multi Glory」)之全部權益及Multi Glory結欠本集團之貸款，現金代價為2,150,000,000港元(「出售事項」)。重組(「重組」)已於出售事項完成前進行，以使出售集團(定義見下文)成立。於重組後，Multi Glory透過若干全資附屬公司持有深圳市思樂數據技術有限公司及其全資／非全資附屬公司(下文統稱為「出售集團」)之100%權益。出售集團之主要業務為於中國為傳統福彩電腦票營運進行彩票設計及提供彩票系統及設備業務。出售事項已於二零一七年二月完成。由於出售事項完成，出售集團已不再為本公司之附屬公司。進一步詳情載於本公司日期為二零一六年一月五日、二零一六年二月二十三日、二零一六年三月二十九日、二零一六年四月二十九日、二零一六年五月十九日、二零一六年七月二十七日、二零一六年八月二日、二零一七年一月九日、二零一七年一月二十七日及二零一七年二月十四日之公布以及日期為二零一六年二月二十九日及二零一六年九月三十日之通函。

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS** (continued)

For the six months ended 30 June 2017

**未經審核簡明
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截至二零一七年六月三十日止六個月

**18. ASSETS/LIABILITIES OF THE DISPOSAL GROUP
CLASSIFIED AS HELD FOR SALE** (continued)

The results of the Disposal Group classified as held for sale that are included in the consolidated income statement are shown as below:

**18. 分類為持作出售之出售組別之
資產／負債** (續)

計入綜合收益表之分類為持作出售之出售集團之業績列示如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the period from the Disposal Group:	出售集團之期間溢利：		
Revenue	收入	35,830	176,762
Cost of sales/services rendered	銷售／提供服務之成本	(21,061)	(78,439)
Other income and other gains and losses	其他收入以及其他收益及虧損	1	301
Selling and distribution expenses	銷售及分銷費用	(1,297)	(6,562)
Administrative expenses	行政費用	(15,892)	(38,989)
Operating (loss)/profit	經營(虧損)／溢利	(2,419)	53,073
Finance costs	財務費用	(647)	(1,534)
(Loss)/profit before taxation	除稅前(虧損)／溢利	(3,066)	51,539
Taxation	稅項	3,296	(7,304)
Profit for the period	期間溢利	230	44,235

**NOTES TO THE UNAUDITED CONDENSED
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For the six months ended 30 June 2017

**未經審核簡明
中期財務報表附註** (續)

截至二零一七年六月三十日止六個月

**18. ASSETS/LIABILITIES OF THE DISPOSAL GROUP
CLASSIFIED AS HELD FOR SALE** (continued)

The major classes of assets and liabilities of the Disposal Group classified as held for sale as at 30 June 2017 are as follows:

**18. 分類為持作出售之出售組別之
資產／負債** (續)

於二零一七年六月三十日分類為持作出售之出售集團之資產及負債主要類別如下：

		At 30 June 2017 於二零一七年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Assets	資產		
Property, plant and equipment	物業、廠房及設備	-	117,459
Prepaid lease payments or land use rights	土地使用權之預付租約付款	-	41,853
Goodwill	商譽	-	1,026,795
Intangible assets	無形資產	-	22,054
Deposit for acquisition of leasehold building	收購租賃樓宇按金	-	169,511
Deferred tax assets	遞延稅項資產	-	5,963
Inventories	存貨	-	98,474
Trade receivables	應收貿易賬款	-	84,692
Utility and other deposits	公用事業及其他按金	-	103,393
Prepayment and other receivables	預繳款項及其他應收款項	-	525,317
Cash and bank balances	現金及銀行結餘	-	100,086
Assets of the Disposal Group classified as held for sale	分類為持作出售之 出售集團之資產	-	2,295,597
Liabilities	負債		
Trade payables	應付貿易賬款	-	(44,397)
Other payables and accruals	其他應付款項及應計款項	-	(202,759)
Bank borrowings	銀行借貸	-	(137,456)
Current tax liabilities	當期稅項負債	-	(18,731)
Deferred tax liabilities	遞延稅項負債	-	(640)
Liabilities directly associated with the assets of the Disposal Group classified as held for sale	與分類為持作出售之 出售集團之資產 直接相關之負債	-	(403,983)
Net assets of the Disposal Group classified as held for sale	分類為持作出售之 出售集團之淨資產	-	1,891,614

At 31 December 2016, bank loans of approximately HK\$55,556,000 are secured on leasehold buildings and land use rights in the PRC for the carrying values of approximately HK\$16,689,000 and HK\$26,678,000 respectively.

At 31 December 2016, a Director has given personal guarantee in respect of bank borrowings of approximately HK\$81,900,000.

於二零一六年十二月三十一日，約55,556,000港元之銀行貸款以賬面值分別約為16,689,000港元及26,678,000港元之中國租賃樓宇及土地使用權作抵押。

於二零一六年十二月三十一日，一名董事已就銀行借貸約81,900,000港元提供個人擔保。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

未經審核簡明 中期財務報表附註(續)

截至二零一七年六月三十日止六個月

19. DISPOSAL OF SUBSIDIARIES

On 4 January 2016, a wholly-owned subsidiary of the Company entered into the Sale and Purchase Agreement with a related party, Sunjet Investments Limited, in which a Director (who is also a substantial shareholder of the Company) has beneficial interest, for the disposal of entire interests in the Disposal Group and the loan due from Multi Glory to the Group for a cash consideration of HK\$2,150,000,000. The Disposal was completed in February 2017. The net assets disposed of at the date of completion were as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	129,501
Prepaid lease payments on land use rights	土地使用權之預付租約付款	42,214
Goodwill	商譽	1,026,794
Intangible asset	無形資產	21,154
Deposits for acquisition of leasehold building	收購租賃樓宇之按金	171,416
Inventories	存貨	94,976
Trade receivables	應收貿易賬款	153,755
Utility and other deposits	公用事業及其他按金	103,131
Prepayments and other receivables	預繳款項及其他應收款項	639,810
Cash and bank balances	現金及銀行結餘	48,039
Loan due to the Group	結欠本集團之貸款	(1,583,438)
Trade payables	應付貿易賬款	(108,383)
Other payables and accruals	其他應付款項及應計款項	(124,094)
Bank borrowings	銀行借貸	(137,573)
Current tax liabilities	當期稅項負債	(9,704)
Deferred tax liabilities	遞延稅項負債	(114,089)
Net assets disposed of	已出售淨資產	353,509
Assignment of the loan due to the Group	出讓結欠本集團之貸款	1,583,438
Non-controlling interests	非控股權益	(3,759)
Direct cost incurred for the Disposal	出售事項產生之直接成本	9,354
Taxation for the Disposal	出售事項之稅項	215,200
Cumulative exchange difference in respect of the net assets of the Disposal Group reclassified from equity to profit or loss on disposal	於出售時由權益重新分類至損益之出售集團淨資產累計匯兌差額	41,109
Loss on disposal of subsidiaries	出售附屬公司之虧損	(48,851)
Satisfied by:	支付方式:	
Cash	現金	2,150,000

The subsidiaries disposed of during the six months ended 30 June 2017 contributed approximately HK\$35,830,000 to the Group's revenue and profit of approximately HK\$230,000 to the Group's loss for the period ended 30 June 2017.

19. 出售附屬公司

於二零一六年一月四日，本公司一間全資附屬公司與關聯方Sunjet Investments Limited（一名身兼本公司主要股東之董事擁有其實益權益）訂立買賣協議，出售出售集團之全部權益及Multi Glory結欠本集團之貸款，現金代價為2,150,000,000港元。出售事項已於二零一七年二月完成。於完成日期之已出售淨資產如下：

於截至二零一七年六月三十日止六個月出售之附屬公司於截至二零一七年六月三十日止期間為本集團收入貢獻約35,830,000港元及為本集團虧損帶來溢利約230,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

For the period under review, the Group was principally engaged in lottery system and games development business and distribution and marketing of lottery products in China.

The Chinese lottery market comprises two lotteries, namely, the China Welfare Lottery and the China Sports Lottery. The Group provides services to both lotteries.

BUSINESS REVIEW AND PROSPECTS

Lottery Business

The Group's lottery business can be broadly divided into System and Games Development Business ("SGDB") and Distribution and Marketing Business ("DMB"). Revenue of the lottery business accounted for 100% of the Group's total revenue.

During the first six months ended 30 June 2017, total Group's revenue was approximately HK\$241,774,000, decreased by 64% over the same period last year (2016: approximately HK\$675,335,000). Loss before taxation was approximately HK\$146,182,000 (profit before taxation in 2016: approximately HK\$90,768,000).

The Group's overall performance has further deteriorated during the period under review given the downturn in scratch cards and mobile lottery markets, which were very unfavourable to the Group's lottery operations in China. The mixed performance among major types of lottery products in the market presented a challenging environment for the Group's operations. The unexpected deterioration of the scratch cards market has damaged the core operations of the Group. While Single Match Games ("SMG") market achieved an extraordinary performance with strong sales growth, the halt in paperless electronic lottery development prevented the Group from benefiting this favorable trend across its comprehensive distribution platform. Internet lottery remains suspended in China. The operations of mobile lottery business was also very challenging due to uncertainties in regulations associated with mobile lottery distribution platform.

In 2016, the Company announced a plan to realise one of its long-term investments in the traditional Welfare Computer Ticket Games ("CTG") market which covered business operations of the manufacturing and provision of Welfare CTG machines and supporting systems for the traditional lottery market. In February 2017, the Company completed the Disposal. A loss on disposal of approximately HK\$48,851,000 was recorded. As a result of the completion of the Disposal, the Disposal Group has ceased to be subsidiaries of the Company and its results were not consolidated into the consolidated financial statements of the Company. This has impacted the Group's operating results and contributed to the decline in both revenue and operating profit during the period under review.

管理層討論及分析

於回顧期內，本集團主要於中國從事彩票系統與遊戲開發業務及彩票產品的配送與市場業務。

中國彩票市場有兩類彩票，即中國福利彩票及中國體育彩票。本集團同時為兩類彩票提供服務。

業務回顧及展望

彩票業務

本集團的彩票業務大致分為系統及遊戲開發業務（「系統及遊戲開發業務」）及配送與市場業務（「配送及市場業務」）。彩票業務的收入佔本集團總收入的100%。

截至二零一七年六月三十日止首六個月，本集團的總收入約為241,774,000港元，較去年同期減少64%（二零一六年：約675,335,000港元）。除稅前虧損約為146,182,000港元（二零一六年：除稅前溢利約90,768,000港元）。

鑑於即開票及手機彩票市場倒退對本集團中國彩票業務極為不利，本集團整體表現於回顧期內進一步轉差。市場上各類主要彩票產品表現參差，使本集團之營運面對重重挑戰。即開票市場出乎意料地轉差，對本集團的核心業務造成打擊。單場競猜遊戲（「競彩」）市場雖表現卓越，錄得強勁銷售增長，惟無紙化電子彩票的發展停滯不前，窒礙本集團通過其全面配送平台從該利好勢頭中受益。中國互聯網彩票仍然暫停運作。與手機彩票配送平台有關的規管尚未明朗，亦令手機彩票業務的營運面對嚴峻挑戰。

於二零一六年，本公司宣布計劃變現其中一項於傳統福彩電腦票市場的長期投資，涵蓋為傳統彩票市場製造及提供福彩電腦票機及支援系統的業務營運。於二零一七年二月，本公司完成出售事項，並錄得出售虧損約48,851,000港元。由於出售事項完成，出售集團不再為本公司的附屬公司，而其業績不再與本公司的綜合財務報表綜合入賬，對本集團的經營業績造成影響，並導致回顧期內的收入及經營溢利減少。

During the period under review, the Group maintained a prudent approach towards investment opportunities given the uncertainties in regulatory environment. The prolonged suspension of internet lottery distribution channel and the lack of progress on paperless electronic lottery distribution development have gradually changed the needs and practice of buying behaviors of lottery consumers. The evolving market landscape has led the Group to rethink its approach and formulate a new action plan. In light of this, the Group has commenced formal evaluation of the strategic options for various development programs to maximise the value of its existing operations and explore opportunities for business diversification for the purposes of future business growth.

China Lottery Market

The China lottery market registered total lottery sales of RMB205.0 billion in the first six months of 2017, representing a growth of 6% over the same period of 2016.

During the period under review, total Welfare Lottery sales was RMB106.1 billion. Welfare CTG sales increased 6% to RMB76.4 billion, accounting for 72% of the total Welfare Lottery sales. Welfare Scratch Cards sales decreased 17% to RMB6.5 billion and Video Lottery Terminals (“VLT”) sales grew by 4% to RMB23.1 billion. Sales of Keno was RMB0.9 billion, decreased by 37%. Welfare Scratch Cards and VLT accounted for 6% and 22% of the total Welfare Lottery sales respectively.

In the first half of 2017, total Sports Lottery sales was RMB98.9 billion. Sales of Sports CTG, including SMG, increased by 9% to RMB92.6 billion accounting for 94% of total Sports Lottery sales. Sports Scratch Cards sales was RMB6.4 billion, dropped 13% over last year, accounted for 6% of the total Sports Lottery sales. Total sales of Sports VLT increased 38% to RMB5.1 million in the first six months of 2017.

System and Games Development Business

The Group’s SGDB is an active participant in the provision of lottery system and specialised equipments for both CTG and scratch card products in China. During the period under review, the Group’s SGDB continued to actively participate in the upstream and mid-stream lottery market by providing various lottery system and specialised equipment for both Welfare and Sports lottery markets.

於回顧期內，鑑於不明朗的監管環境，本集團對各種機會維持審慎投資方針。互聯網彩票配送渠道長期停止運作，加上無紙化電子彩票配送的發展未見突破，彩票客戶的需要及購買習慣已逐漸改變。市場演變令本集團不得不重新審視其方針及制訂新計劃。有見及此，本集團已開始正式評估不同發展計劃的策略性選項，力求提升其現有業務的價值，並為未來業務增長探索業務多元化發展的機遇。

中國彩票市場

中國彩票市場於二零一七年首六個月錄得彩票總銷售額人民幣2,050億元，較二零一六年同期增長6%。

於回顧期內，福利彩票的總銷售額為人民幣1,061億元。福彩電腦票的銷售額增加6%至人民幣764億元，佔福利彩票總銷售額的72%。福彩即開票的銷售額減少17%至人民幣65億元，而中福在線的銷售額則增長4%至人民幣231億元。基諾的銷售額為人民幣9億元，減少37%。福彩即開票及中福在線分別佔福利彩票總銷售額的6%及22%。

於二零一七年上半年，體育彩票的總銷售額為人民幣989億元。體彩電腦票（包括競彩）的銷售額增加9%至人民幣926億元，佔體育彩票總銷售額的94%。體彩即開票的銷售額為人民幣64億元，較去年下跌13%，佔體育彩票總銷售額的6%。體育視頻彩票終端於二零一七年首六個月的總銷售額增加38%至人民幣510萬元。

系統及遊戲開發業務

本集團的系統及遊戲開發業務積極為中國電腦票及即開票產品提供彩票系統及專用設備。於回顧期內，本集團的系統及遊戲開發業務一直積極參與上游及中游彩票市場，為福利及體育彩票市場提供各類彩票系統及專用設備。

Welfare CTG Business

With the impact of internet sales suspension progressively fading away, performance of both the traditional market (national draw-based games) and the non-traditional market (regional and high frequency games) in the Welfare CTG market in China have stabilised.

During the period under review, sales performance of national draw based games in China was stable and demonstrated a sustainable growth trajectory. Regional and high frequency games, which featured wide variety of prizes and high frequency of drawings, continued to maintain fast paced growth and brought fresh impetus to the Welfare CTG market in China. It is expected that market players will put more focus and resources on the regional and high frequency market, and market competition will gradually increase in this segment.

In order to align the Group's lottery business to the above development in the lottery market, the Group has restructured its Welfare CTG business. During the period under review, the Group completed the disposal of a long-term investment in the traditional Welfare CTG market which covered business operations of the manufacturing and provision of Welfare CTG machines and supporting systems for the traditional lottery market.

After completion of the restructuring and repositioning, the Group continued to provide various lottery services for the non-traditional Welfare CTG market. It is expected that Welfare CTG market will gradually improve and the Group will continue to focus on the development of non-traditional products in this market segment. However, given the downsizing of the Group's platform in the Welfare Lottery market in China after the restructuring mentioned above, the Company expects to devote greater efforts in a bid to stay competitive in the increasingly challenging environment in this area going forward.

Welfare Scratch Cards Business

The Group is involved in the validation and printing business of Welfare Scratch Cards in China. Total sales of Welfare Scratch Cards in China declined 17% compared with the corresponding period in 2016. Performance of the Group's operations involved in Welfare Scratch Cards market was directly affected by the lackluster sales performance of scratch card products during the period under review.

The Group has jointly controlled interests in a validation system and specialised equipment provider which provide validation services for the Welfare Scratch Cards market. The sales of scratch card products has declined in light of the strong competition against other lottery products. In respond, the Group continued to roll out relevant systems and equipment of validation services through submitting new tenders to support the revitalisation initiatives taken by lottery authorities during the period under review.

福彩電腦票業務

隨著互聯網銷售暫停的影響逐漸消退，中國福彩電腦票市場的傳統市場（全國性抽獎遊戲）及非傳統市場（地區性及高頻遊戲）的表現已經回穩。

於回顧期內，中國全國性抽獎遊戲的銷售表現平穩，呈現可持續升軌。以獎級設置多樣化及開獎次數頻繁為特色的地區性及高頻遊戲繼續維持高速增長步伐，為中國福彩電腦票市場注入新動力。預期市場參與者將投放更多精力及資源於地區性及高頻市場，此分部的市場競爭將漸趨激烈。

為使本集團的彩票業務緊貼上述彩票市場發展，本集團已重組其福彩電腦票業務。於回顧期內，本集團已完成出售一項於傳統福彩電腦票市場的長期投資，涵蓋為傳統彩票市場製造及提供福彩電腦票機及支援系統的業務營運。

於重組完成及重新定位後，本集團繼續為非傳統福彩電腦票市場提供各類彩票服務。預期福彩電腦票市場將逐步改善，而本集團將繼續集中開發此市場分部的非傳統產品。然而，鑑於上述重組後本集團於中國福利彩票市場之平台規模縮減，本公司預期日後將在此方面付出更大的努力，以在競爭日趨激烈的環境下保持其競爭力。

福彩即開票業務

本集團於中國參與福彩即開票的認證及印刷業務。中國福彩即開票的總銷售額較二零一六年同期下跌17%。於回顧期內，本集團福彩即開票業務的表現直接受即開票產品疲弱的銷售表現所影響。

本集團在為福彩即開票市場提供認證服務的認證系統及專用設備供應商擁有共同控制權益。由於與其他彩票產品的激烈競爭，即開票產品銷售下跌。為應對有關情況，本集團於回顧期內繼續透過新投標推出與認證服務有關的系統及設備，支持彩票機關推行的振興措施。

Despite a lackluster sales performance of Welfare Scratch Cards, the Group continued to deliver various seasonally and thematic games to the market through its cooperative venture with Shijiazhuang Offset Printing House.

Sports CTG Business

The Group's Sports CTG business was engaged in the manufacturing and sales of CTG terminals to provincial Sports Lottery Centres across China serving the needs of traditional CTG segment and supporting the development of SMG. During the period under review, the Group continued to participate in various procurement bidding of CTG/SMG terminals and delivered its Sports CTG/SMG terminals for provincial Sports Lottery Centres.

Distribution and Marketing Business

The Group's DMB is a major participant in lottery distribution in China. It has successfully established a comprehensive distribution platform which consists of a widely diversified and recognised physical retail network and a portfolio of innovative and advanced paperless electronic lottery platforms.

The Group's downstream lottery operations pledged to provide reliable, efficient and innovative lottery services to address the needs of end consumers in lottery market focusing scratch cards, SMG and Sports video lottery. It aims to assist lottery authorities to promote and develop the Chinese lottery market in a sustainable manner.

During the period under review, the operating environment was challenging. There were no major breakthroughs in the operating environment of paperless electronic platforms. Ongoing regulatory development concerning the relevant policy framework remained as the major hurdle to sales growth. With the solid foundation established in the downstream market, the Group's DMB is expected to turn into a key growth driver in the future when the paperless electronic distribution channels become formalised and create positive influence on consumer behavior.

儘管福彩即開票的銷售表現疲弱，本集團繼續透過與石家莊市膠印廠成立的合作企業，向市場交付不同的季節性及主題遊戲。

體彩電腦票業務

本集團的體彩電腦票業務參與製造及銷售電腦彩票機予國內各省的體育彩票中心，以滿足傳統電腦票業務所需及支持競彩業務發展。於回顧期內，本集團繼續參與電腦票／競彩終端的採購競標，並向各省的體育彩票中心交付體彩電腦票／競彩終端。

配送及市場業務

本集團的配送及市場業務為中國彩票配送的主要參與者，成功建立了全面的配送平台，當中包括一個多元化並經認可的實體零售網絡，以及創新而先進的無紙化電子彩票平台組合。

本集團下游彩票業務致力提供可靠、高效及創新的彩票服務，以滿足以即開票、競彩及體育視頻彩票為主的彩票市場最終客戶的需要，冀能協助彩票機關以可持續方式促進和發展中國彩票市場。

於回顧期內，經營環境存在重重挑戰。無紙化電子平台的經營環境並無重大突破。相關監管政策框架的不斷演變依然是銷售增長的主要障礙。憑藉在下游市場建立的穩固基礎，待無紙化電子配送渠道確立並對客戶的行為產生積極影響後，預期本集團的配送及市場業務勢將成為日後的主要增長動力。

Scratch Cards Distribution Business

The Group's scratch cards distribution business focuses on the distribution and sales of scratch cards through a physical lottery distribution network. This network comprises selective prime locations that have diversified and recognised sales distribution channels.

During the period under review, the total sales of Welfare Scratch Cards and Sports Scratch Cards in China was RMB12.9 billion, representing a decrease of 15% over the same period last year. The poor performance of overall scratch cards market has adversely affected the financial performance of this business segment.

The strength of scratch card products lies in its flexibility and large variety of game designs to engage with casual players. Thus, in order to make the most of the unique advantage of scratch card products and to cope with the fierce competition from other lottery products, lottery authorities are expected to place great emphasis on broadening the promotion of scratch card products and expanding their distribution network.

Different strategic initiatives have been launched by lottery authorities and new market participants to explore new model of distribution method for scratch cards during the period under review. The Group will continue to support these revitalisation initiatives taken by lottery authorities through its sales distribution channels and to seize potential opportunities in the segment amidst increased competition among other market players.

Single Match Games Business

In the first half of 2017, despite the absence of any major soccer tournament comparable with the UEFA European Championship in 2016, SMG still managed to achieve impressive sales growth in China and registered a record-breaking total sales of approximately RMB37.0 billion.

即開票配送業務

本集團的即開票配送業務透過實體彩票配送網絡，專注從事即開票配送與銷售。此網絡包含已有多元化及認可銷售配送渠道的特選優越地區。

於回顧期內，中國的福彩即開票及體彩即開票的總銷售額為人民幣129億元，較去年同期減少15%。整體即開票市場表現失色對此業務分部的財務表現造成不利影響。

即開票產品的優勢在於其靈活多變及各式各樣的遊戲設計能吸引休閒玩家。因此，為盡顯即開票產品的獨有優勢及應對其他彩票產品的激烈競爭，彩票機關預期會着重拓寬即開票產品的宣傳並擴展其配送網絡。

於回顧期內，彩票機關及新的市場參與者已推出不同策略措施，開拓即開票配送途徑的新模式。本集團將繼續利用其銷售配送渠道支持彩票機關推行的振興措施，在其他市場參與者激烈競爭之時把握此分部的潛在機遇。

單場竞猜遊戲業務

於二零一七年上半年，儘管缺少媲美二零一六年歐洲足球錦標賽的大型足球賽事，競彩仍能於中國實現可觀銷售增長，總銷售額達破紀錄的約人民幣370億元。

This extraordinary performance was partially attributed to the increasing popularity of SMG in China driven by the effective promotion campaign between March to May 2017. The campaign was different from the traditional form of promotions, which relied on increasing number of games and prize payout. The latest promotion was successful reaching out to lottery consumers through campaigns on social media and providing second prize drawing.

SMG has proven its huge potential by growing into a lottery product which accounted for a substantial market share in the Chinese lottery market. The constant innovation on game play introduced by lottery authorities also created a favorable environment for the long term healthy growth of SMG.

During the period under review, the Group continued to operate its SMG business through physical distribution network. This physical retail network plays an important role since paperless electronic lottery distribution has been suspended in early 2015. The Group remains positive on the long-term prospect of paperless electronic lottery distribution channel and maintains its investment in this area through its interest in the Okooo platform.

Mobile Lottery Business and Mobile Electronic Lottery Platform

The Group self developed a Mobile Electronic Lottery Platform (“Mobile ELP”) for its mobile lottery business. The Mobile ELP offers a multi-functional back-end system with convenience interface to facilitate lottery distribution over mobile devices. Mobile ELP improves the convenience of lottery purchase by connecting players directly to the centralised system of provincial lottery centre, enabling a safe and reliable lottery purchase experience. The adoption of Mobile ELP will provide provincial lottery centres with technological breakthrough to better connect with players located in their respective provinces and attract purchases from the locals.

During the period under review, the regulatory environment for operating Mobile ELP remained uncertain. As a result, performance of the Group’s mobile lottery business was severely impacted. The latest market environment has been a setback for the Group’s plan to seize market opportunities in the paperless electronic lottery market. The Group will continue to review the viability of operating this business.

表現卓越的部分原因可歸功於二零一七年三月至五月的有效宣傳活動，成功提高中國競彩的知名度。該活動有別於側重於增加遊戲數目及派彩金額的傳統宣傳模式。近期的推廣成功通過開展社交媒體活動及提供二次抽獎接觸彩票客戶。

競彩的雄厚潛力已獲印證，晉身成為中國彩票市場上佔重大市場份額的彩票產品。彩票機關不斷為遊戲引進創新元素亦為競彩的長遠健康增長創造有利環境。

於回顧期內，本集團繼續透過實體配送網絡經營其競彩業務。自二零一五年初無紙化電子彩票配送暫停以來，此實體零售網絡一直擔當重要角色。本集團仍然看好無紙化電子彩票配送渠道的長遠前景，並會透過於Okooo平台的權益維持其於此範疇的投資。

手機彩票業務及手機電子彩票平台

本集團為其手機彩票業務自行開發手機電子彩票平台。手機電子彩票平台提供多功能後端系統及便捷的界面，有助於透過流動裝置配送彩票。手機電子彩票平台令玩家可直接連結各省彩票中心的中央系統，打造更為方便及安全可靠的購彩體驗。手機電子彩票平台的應用將為各省彩票中心提供技術性突破，更有效地連接其各自省份的玩家，並吸引當地人士購買。

於回顧期內，經營手機電子彩票平台的監管環境仍未明朗。因此，本集團的手機彩票業務表現受到嚴重影響。最新市場環境窒礙本集團抓緊無紙化電子彩票市場機遇的計劃。本集團將繼續檢討該業務營運的可行性。

Outlook

It has been more than two years since that the Chinese lottery market put a halt on the internet lottery distribution channel. The Group has gathered a few insights from the current market environment.

The suspension of internet lottery has created persistent pressure on the growth of lottery market and gradually changed the purchasing behavior of lottery consumers over time. It will take time for the lottery industry to refocus on developing the traditional distribution channels with innovative approach in order to regain its momentum.

Second, the simplified administrative procedure governing marketing initiatives provided flexibility for provincial lottery authorities to roll out localised marketing campaigns to rejuvenate the market. However, relying on increased prize payout as a regular mean of promotion may lead to a diminishing rate of return over time. The market will demand new approaches with the inclusion of elevated services and new experiences within these marketing activities.

Finally, the demographic of lottery consumers is constantly changing. There is a growing population of a younger generation of lottery consumers who are increasingly familiar with digital technologies. Unfortunately, it seems that the regulatory development is still lagging behind in this aspect which affects industry development.

The lottery market in China remains at the early stages of digital innovation, due to the uncertainties in the regulatory framework. The current paperless electronic lottery distribution market does not form a substantial part of the lottery market. Although the Group has established solid foundation in paperless electronic lottery, performance of the Group's lottery business will continue to be hindered by the unfavourable market conditions.

In addition, the Group is planning to refocus on growing its business as the financial challenge posed by the convertible bonds redemption obligation is almost behind us. Taking into consideration of the growing uncertainties of regulatory development and increasing competition in the lottery market, the Group will continue to look into diversification opportunities and intends to introduce and establish strategic partnership to enhance the Group's human and finance capability and identify potential projects to set the stage for long-term growth.

Last but not least, providing valuable services for the Chinese lottery market which makes significant contributions for the good causes that benefit the general public in China will continue to be among the Group's top priorities.

展望

中國彩票市場暫停互聯網彩票配送渠道已超過兩年。本集團從目前的市場環境歸納出數個觀點。

互聯網彩票暫停對彩票市場增長構成持續壓力，並逐漸改變彩票客戶的購買行為。彩票業將需要時間以創新方向重新專注發展傳統配送渠道，方可重拾升軌。

其次，簡化管理市場推廣的行政程序，為各省的彩票機關推出振興市場的本地化營銷活動提供靈活性。然而，依賴提高派彩金額作為定期推廣手段，長遠可能降低回報率。市場將需要推陳出新，在開展此等營銷活動的同時，提升服務並提供嶄新體驗。

最後，彩票客戶人口正不斷變化。年輕一代的彩票客戶人數逐漸增多，對數碼科技有更深入的認識，可惜監管發展似乎相對落後，影響行業發展。

中國彩票市場因監管框架未明，其數碼創新仍屬起步階段。目前的無紙化電子彩票配送市場在彩票市場的佔比並不重大。儘管本集團已奠下穩固的無紙化電子彩票基礎，惟本集團彩票業務的表現將繼續受到不利市況拖累。

此外，因可換股債券贖回責任帶來的財政挑戰將近解決，本集團正計劃重新專注業務發展。考慮到監管發展出現越來越多不確定因素，彩票市場競爭亦越趨激烈，本集團將繼續尋求業務多元化的機會，計劃引進及建立策略夥伴關係，提升本集團的人力及財力，並物色能為日後的長遠增長提供穩固基礎的潛在項目。

總括而言，為中國彩票市場提供寶貴服務，使其對惠及中國普羅大眾的公益事業作出重大貢獻，仍然是本集團的首要目標。

FINANCIAL REVIEW**Financial Results**

For the six months ended 30 June 2017, the Group recorded a revenue of approximately HK\$241,774,000 (2016: approximately HK\$675,335,000), representing a decrease of 64% over the same period last year. The decrease was resulted from the disposal of subsidiaries in February 2017 and continuing unfavorable operating environment of the PRC lottery market since the second half of 2016, especially in the scratch cards market and paperless electronic lottery distribution market.

The unaudited loss attributable to equity shareholders of the Company was approximately HK\$140,645,000 (profit attributable to equity shareholders for 2016: approximately HK\$82,159,000). The loss per share was 1.40 HK cents (earnings per share for 2016: 0.82 HK cent). Diluted (loss)/earnings per share for the six months ended 30 June 2017 and 30 June 2016 is the same as the basic (loss)/earnings per share as both the share options and the Bonds outstanding during the period had an anti-dilutive effect on the basic (loss)/earnings per share. Cost of sales and selling expenses reduced as in line with revenue. However, administrative expenses remains at similar level as last period mainly due to general cost increase in China and reposition of the Group's business in light of the challenging competitive landscape in the Chinese lottery market. Other loss mainly represent the loss on redemption of the Bonds.

A loss on disposal of subsidiaries of approximately HK\$48,851,000 was recorded. It was mainly due to the increase in the net asset value of the Disposal Group and the exchange difference created by the release of exchange reserve as at completion of the Disposal. As disclosed in the Company's circular dated 30 September 2016, with reference to the terms of the Sales and Purchase Agreement, the Group would not be entitled to the profit/loss of the Disposal Group after 1 January 2016. As a result, the net asset value of the Disposal Group increased as at completion of the Disposal.

Liquidity, Financial Resources and Funding

At 30 June 2017, the Group's total equity amounted to approximately HK\$5,461,793,000 as compared to approximately HK\$5,511,177,000 at the end of the previous year.

At 30 June 2017, the Group had cash and bank balances of approximately HK\$1,726,067,000 (31 December 2016: approximately HK\$2,237,048,000 (including the Disposal Group)).

The decrease in cash and bank balance was mainly due to the net cash outflow for operating activities and partial repayment of convertible bonds.

財務回顧**財務業績**

截至二零一七年六月三十日止六個月，本集團錄得收入約241,774,000港元（二零一六年：約675,335,000港元），較去年同期下跌64%。減少乃來自於二零一七年二月出售附屬公司，以及中國彩票市場，尤其是即開票市場及無紙化電子彩票配送市場的經營環境自二零一六年下半年起持續不景氣所致。

本公司權益股東應佔未經審核虧損約為140,645,000港元（二零一六年：權益股東應佔溢利約82,159,000港元）。每股虧損為1.40港仙（二零一六年：每股盈利0.82港仙）。由於期內尚未行使之購股權及未獲轉換之該等債券對每股基本（虧損）／盈利具有反攤薄影響，故截至二零一七年六月三十日及二零一六年六月三十日止六個月之每股攤薄（虧損）／盈利與每股基本（虧損）／盈利相同。銷售成本及銷售費用與收入同步減少。然而，與去年同期比較，行政費用持平，主要是由於中國整體成本上升，且本集團因應中國彩票市場競爭挑戰重整業務所致。其他虧損主要指贖回該等債券之虧損。

出售附屬公司之虧損約為48,851,000港元，主要來自出售集團之資產淨值上升以及於完成出售事項時解除匯兌儲備所產生之匯兌差額。誠如本公司日期為二零一六年九月三十日之通函所披露，參照買賣協議之條款，本集團將無權享有出售集團於二零一六年一月一日後之溢利／虧損。因此，出售集團於出售事項完成時之資產淨值有所上升。

流動資金、財務資源及融資

於二零一七年六月三十日，本集團之權益總額約為5,461,793,000港元，去年年終則約為5,511,177,000港元。

於二零一七年六月三十日，本集團持有現金及銀行結餘約1,726,067,000港元（二零一六年十二月三十一日：約2,237,048,000港元（包括出售集團））。

現金及銀行結餘減少主要由於經營業務現金流出淨額及償還部分可換股債券所致。

In 2011 and 2012, the Company issued the 2016 Bonds in principal amount of HK\$964,700,000 and HK\$429,000,000 respectively. Each 2016 Bond is convertible into fully paid ordinary share of HK\$0.01 each of the Company (the "Share") at the applicable conversion price of HK\$0.5600 per Share. The 2016 Bonds bear interest at the rate of 6% per annum payable semi-annually in arrears. During the period under review, there was no conversion of the 2016 Bonds into Shares by the bondholders. On 29 March 2017, the Company made a partial payment of all the 2016 Bonds for the principal amount of HK\$154,823,091.06. As at 30 June 2017, the principal amount of the 2016 Bonds remaining outstanding was HK\$100,906,642.86 (31 December 2016: HK\$255,729,733.92).

In 2014, the Company issued the 2019 Bonds in principal amount of HK\$1,900,000,000. Each 2019 Bond is convertible into fully paid Shares at the applicable conversion price of HK\$1.3700 per Share. The 2019 Bonds bear interest at the rate of 4.5% per annum payable semi-annually in arrears. During the period under review, there was no conversion of the 2019 Bonds into Shares by the bondholders. On 29 March 2017, the Company made a partial payment of all the 2019 Bonds for the principal amount of HK\$846,027,772.50. As at 30 June 2017, the principal amount of the 2019 Bonds outstanding was HK\$551,402,486.50 (31 December 2016: HK\$1,397,430,259).

The gearing ratio as at 30 June 2017 was 12.05% (31 December 2016: 32.36%). The gearing ratio was derived by dividing the total borrowings including the Bonds, obligation under finance leases and bank borrowing of approximately HK\$658,032,000 (31 December 2016: approximately HK\$1,783,405,000 (includes those classified as part of liabilities associated with assets classified as held for sale)) by the amount of total equity. The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 504% (31 December 2016: 260%), reflecting adequacy of financial resources. The liquidity ratio increased mainly due to the partial payment of the Bonds during the period under review.

The Group had outstanding bank borrowings of approximately HK\$5,724,000 as at 30 June 2017 (31 December 2016: approximately HK\$142,357,000), of which bank borrowings of HK\$Nil (31 December 2016: approximately HK\$137,456,000) was loaned to the Disposal Group as at 30 June 2017. As at 30 June 2017, the bank borrowings were denominated in Renminbi and interest bearing at prevailing commercial lending rates. The Group's trade receivables were pledged to secure the bank borrowings.

Taking into account the financial resources available to the Group including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present operational requirements.

於二零一一年及二零一二年，本公司發行本金額分別為964,700,000港元及429,000,000港元之二零一六年債券。每份二零一六年債券可按每股0.5600港元之適用轉換價轉換為本公司每股面值0.01港元之繳足普通股（「股份」）。二零一六年債券按年利率6厘計息，利息須每半年期末支付。於回顧期內，並無債券持有人將二零一六年債券轉換為股份。於二零一七年三月二十九日，本公司就全部二零一六年債券支付部分本金額154,823,091.06港元。於二零一七年六月三十日，尚未償還之二零一六年債券之本金額為100,906,642.86港元（二零一六年十二月三十一日：255,729,733.92港元）。

於二零一四年，本公司發行本金額為1,900,000,000港元之二零一九年債券。每份二零一九年債券可按每股1.3700港元之適用轉換價轉換為繳足股份。二零一九年債券按年利率4.5厘計息，利息須每半年期末支付。於回顧期內，並無債券持有人將二零一九年債券轉換為股份。於二零一七年三月二十九日，本公司就全部二零一九年債券支付部分本金額846,027,772.50港元。於二零一七年六月三十日，尚未償還之二零一九年債券之本金額為551,402,486.50港元（二零一六年十二月三十一日：1,397,430,259港元）。

於二零一七年六月三十日之負債比率為12.05%（二零一六年十二月三十一日：32.36%）。負債比率為將借貸總額（包括該等債券、融資租賃債務及銀行借貸約658,032,000港元（二零一六年十二月三十一日：約1,783,405,000港元（包括歸入與分類為持作出售之資產有關之負債一部分者））除以權益總額。本集團以流動資產除以流動負債計算之流動資金比率為504%（二零一六年十二月三十一日：260%），反映財務資源充裕。流動資金比率上升主要是由於回顧期內支付部分該等債券所致。

本集團於二零一七年六月三十日之未償還銀行借貸約為5,724,000港元（二零一六年十二月三十一日：約142,357,000港元），其中於二零一七年六月三十日為零港元（二零一六年十二月三十一日：約137,456,000港元）之銀行借貸乃授予出售集團。於二零一七年六月三十日，銀行借貸以人民幣為單位，並以現行商業貸款利率計息。本集團之應收貿易賬款已作抵押，作為銀行借貸之擔保。

連同本集團可動用之財務資源，包括內部資金及可動用銀行信貸，本集團具備充足營運資金應付現時之營運需要。

Pledge of Assets

As at 30 June 2017, trade receivables of approximately HK\$11,075,000 (31 December 2016: approximately HK\$15,052,000) approximately were pledged to a bank to secure general banking facilities granted to the Group.

As at 31 December 2016, the Disposal Group's land and building with total market value of approximately HK\$118,667,000 were pledged to banks to secure the bank borrowings granted to the Disposal Group.

Share Capital

There was no change in the Company's share capital structure during the period under review. As at 30 June 2017, the total number of issued Shares was 10,028,495,338.

Subscription Agreement in relation to New Shares and New Bonds

On 7 April 2017, the Company and Keen Start Limited ("Keen Start"), a substantial shareholder (as defined in the Listing Rules) of the Company, entered into the subscription agreement (the "Subscription Agreement"), pursuant to which, among other things, the Company has conditionally agreed to allot and issue to Keen Start, and Keen Start has conditionally agreed to subscribe for (i) 1,900,000,000 new Shares (the "Subscription Shares") at the subscription price of HK\$0.134 per Subscription Share (the "Share Subscription") and (ii) the convertible bonds in an aggregate principal amount of HK\$348,000,000 (the "New Bonds") at the initial conversion price of HK\$0.145 per Share (the "CB Subscription"). The aggregate subscription price of the Subscription Shares is HK\$254,600,000 and the aggregate principal amount of the New Bonds is HK\$348,000,000. On 30 June 2017, the Company and Keen Start has agreed to extend the long stop date of the Subscription Agreement to 30 September 2017 (or such later date as may be agreed by the parties to the Subscription Agreement in writing).

The Share Subscription and the CB Subscription constitute connected transactions of the Company under the Listing Rules.

As disclosed in the announcement of the Company dated 4 August 2017, the Company and Keen Start were considering to re-negotiate the deal structure and/or the terms of the Subscription Agreement in parallel.

資產抵押

於二零一七年六月三十日，約11,075,000港元（二零一六年十二月三十一日：約15,052,000港元）之應收貿易賬款已抵押予一間銀行，作為本集團獲授之一般銀行融資之擔保。

於二零一六年十二月三十一日，出售集團總市值約118,667,000港元之土地及樓宇已抵押予銀行，作為出售集團獲授銀行借貸之擔保。

股本

本公司之股本架構於回顧期內並無變動。於二零一七年六月三十日，已發行股份總數為10,028,495,338股。

有關新股份及新債券之認購協議

於二零一七年四月七日，本公司與Keen Start Limited（「Keen Start」，本公司的主要股東（定義見上市規則））訂立認購協議（「認購協議」），據此（其中包括），本公司有條件同意向Keen Start配發及發行，而Keen Start有條件同意認購(i) 1,900,000,000股新股份（「認購股份」），認購價為每股認購股份0.134港元（「股份認購事項」）；及(ii) 本金總額為348,000,000港元之可換股債券（「新債券」），初步轉換價為每股股份0.145港元（「可換股債券認購事項」）。認購股份之認購價總額為254,600,000港元及新債券之本金總額為348,000,000港元。於二零一七年六月三十日，本公司與Keen Start已協定將認購協議的最後完成日期延遲至二零一七年九月三十日（或認購協議訂約方可能書面協定之較後日期）。

根據上市規則，股份認購事項及可換股債券認購事項構成本公司之關連交易。

誠如本公司日期為二零一七年八月四日之公布所披露，本公司及Keen Start現正同時考慮重新協商認購協議之交易結構及／或條款。

Convertible Bonds**2016 Bonds**

The Company issued the 2016 Bonds in 2011 and 2012 respectively in an aggregate principal amount of HK\$1,393,700,000 which shall, upon conversion, be convertible into fully paid Shares at an initial conversion price of HK\$0.6175 per Share, subject to adjustment in accordance with the terms and conditions of the 2016 Bonds. As at 30 June 2017, the conversion price of the 2016 Bonds was HK\$0.5600 per Share.

During the period under review, there was no conversion of the 2016 Bonds. On 29 March 2017, the Company made a partial payment of the 2016 Bonds for the amount of HK\$154,823,091.06. As at 30 June 2017, the principal amount of the 2016 Bonds remaining outstanding was HK\$100,906,642.86. Each 2016 Bond is convertible into fully paid Shares at an applicable conversion price of HK\$0.5600 per Share upon conversion.

2019 Bonds

The Company issued the 2019 Bonds in 2014 in the principal amount of HK\$1,900,000,000 which shall, upon conversion, be convertible into fully paid Shares at an initial conversion price of HK\$1.4070 per Share, subject to adjustment in accordance with the terms and conditions of the 2019 Bonds. As at 30 June 2017, the conversion price of the 2019 Bonds was HK\$1.3700 per Share. The 2019 Bonds are listed on the Singapore Exchange Securities Trading Limited.

There was no conversion of any 2019 Bonds since their issuance and during the period under review. On 29 March 2017, the Company made a partial payment of the 2019 Bonds for the amount of HK\$846,027,772.50. As at 30 June 2017, the principal amount of the 2019 Bonds remaining outstanding was HK\$551,402,486.50. Each 2019 Bond is convertible into fully paid Shares at an applicable conversion price of HK\$1.3700 per Share upon conversion.

Relevant Event and Consent Solicitation Proposals in relation to the Bonds

As stated in the announcement of the Company dated 20 August 2015, pursuant to the terms and conditions of each of the 2016 Bonds and the 2019 Bonds, a “Relevant Event” occurs when, among other things, the Shares are suspended for trading for a period equal to or exceeding 30 consecutive trading days on The Stock Exchange of Hong Kong Limited. Notice has been given by the Company to the holders of the Bonds (the “Bondholders”) that a “Relevant Event” occurred. Each holder of the Bonds had the right at such holder’s option, to require the Company to redeem all or some only of such holder’s Bonds on 2 November 2015 (the “Relevant Event Redemption Date”) at their principal amount (the “Put Bonds”) together with interest accrued to such redemption date, in each case in accordance with the respective terms and conditions of the 2016 Bonds and the 2019 Bonds. Upon redemption of any of the Bonds, such redeemed Bonds will be cancelled.

可換股債券**二零一六年債券**

本公司分別於二零一一年及二零一二年發行本金總額為1,393,700,000港元之二零一六年債券，於獲轉換時可按每股股份0.6175港元之初步轉換價（可按照二零一六年債券之條款及條件調整）轉換為繳足股份。於二零一七年六月三十日，二零一六年債券之轉換價為每股股份0.5600港元。

於回顧期內，二零一六年債券並無獲轉換。本公司已於二零一七年三月二十九日作出部分付款，以償付為數154,823,091.06港元之二零一六年債券。於二零一七年六月三十日，尚未償還之二零一六年債券之本金額為100,906,642.86港元。每份二零一六年債券可於獲轉換時按每股股份0.5600港元之適用轉換價轉換為繳足股份。

二零一九年債券

本公司於二零一四年發行本金總額為1,900,000,000港元之二零一九年債券，於獲轉換時可按每股股份1.4070港元之初步轉換價（可按照二零一九年債券之條款及條件調整）轉換為繳足股份。於二零一七年六月三十日，二零一九年債券之轉換價為每股股份1.3700港元。二零一九年債券於新加坡證券交易所上市。

自發行以來及於回顧期內，二零一九年債券並無獲轉換。本公司已於二零一七年三月二十九日作出部分付款，以償付為數846,027,772.50港元之二零一九年債券。於二零一七年六月三十日，尚未償還之二零一九年債券之本金額為551,402,486.50港元。每份二零一九年債券可於獲轉換時按每股股份1.3700港元之適用轉換價轉換為繳足股份。

該等債券之相關事件及同意徵求建議

誠如本公司日期為二零一五年八月二十日之公布所述，根據二零一六年債券及二零一九年債券各自之條款及條件，在出現（其中包括）股份於香港聯合交易所有限公司暫停買賣為期相等於或超過30個連續交易日之情況時，即發生「相關事件」。本公司已向該等債券之持有人（「債券持有人」）發出已發生「相關事件」之通知。根據二零一六年債券及二零一九年債券各自之條款及條件，每名該等債券之持有人有權按其選擇，要求本公司於二零一五年十一月二日（「相關事件贖回日」）按本金額（連同累計至相關贖回日之利息）贖回該持有人全部或僅部分該等債券（「認沽債券」）。於贖回任何該等債券時，被贖回之該等債券將被註銷。

Given the occurrence of the “Relevant Event”, the Company had formulated various consent solicitation proposals (the “Proposals”) to the Bondholders to, among other things, (a) delay the maturity date of the 2016 Bonds; (b) delay the original Relevant Event Redemption Date and extend the relevant put period end date; (c) extended the original 3rd Anniversary Put Option Redemption Date (as defined in the Company’s announcement dated 29 March 2017) of the 2019 Bonds; and (d) to waive the events of default for the respective Bonds. On 29 March 2017, the Company has made a partial repayment to satisfy part of the principal amount of the outstanding Bonds and the accrued but unpaid interest thereon and default interest. Subsequent to the passing of the extraordinary resolutions by the Bondholders and the execution of the supplemental trust deed, (i) the maturity date in relation to the 2016 Bonds was delayed to 28 February 2017 and further extended to 28 April 2017; (ii) the Relevant Event Redemption Date in relation to each series of the Bonds was delayed to 28 April 2017 in relation to the Relevant Delisting Event (as defined in the Company’s announcement dated 29 March 2017); (iii) the 3rd Anniversary Put Option Redemption Date of the 2019 Bonds was extended to 31 May 2017; and (iv) any breach of the terms and conditions or the trust deed of each series of the Bonds in respect of any non-payment of any amount otherwise payable is waived on 28 April 2017. The Company has not made payment of the outstanding Bonds on 28 April 2017, and the Bonds have been in default since then. The Bonds were still outstanding as at 30 June 2017 and the date of this report. The trustee or the Bondholders through the trustee may take legal actions against the Company in respect of the outstanding Bonds. The Company does not expect the possible courses of action to materially impact the Group, as the Company has sufficient offshore financial resources to fulfil repayment obligations under the outstanding Bonds.

Detailed information regarding the Proposals and the relevant meetings/resolutions (as the case may be) of the Bondholders are set out in the announcements of the Company dated 22 September 2015, 7 October 2015, 29 October 2015, 29 March 2016, 8 April 2016, 3 May 2016, 3 June 2016, 2 August 2016, 9 September 2016, 15 September 2016, 14 February 2017, 14 March 2017, 24 March 2017, 29 March 2017, 21 April 2017, 27 April 2017 and 28 April 2017 respectively.

鑑於發生「相關事件」，本公司制訂多項同意徵求建議（「建議」）向債券持有人提出，以（其中包括）(a) 押後二零一六年債券之到期日；(b) 押後原相關事件贖回日，而相關認沽期結束日亦相應押後；(c) 延遲二零一九年債券之原第三週年認沽期權贖回日（定義見本公司日期為二零一七年三月二十九日之公布）；及(d) 豁免各該等債券之違約事件。於二零一七年三月二十九日，本公司已作出部分還款以支付部分尚未償還該等債券之本金額及其應計但未付之利息及違約利息。於債券持有人通過特別決議案及補充信託契據簽立後，(i) 有關二零一六年債券之到期日已押後至二零一七年二月二十八日，並進一步延遲至二零一七年四月二十八日；(ii) 該等債券各系列之相關事件贖回日已就相關除牌事件（定義見本公司日期為二零一七年三月二十九日之公布）押後至二零一七年四月二十八日；(iii) 將二零一九年債券之第三週年認沽期權贖回日押後至二零一七年五月三十一日；及(iv) 就未支付之任何應付款項所涉及該等債券各系列之條款及條件或信託契據之任何違反於二零一七年四月二十八日獲豁免。本公司於二零一七年四月二十八日並無償付尚未償還之該等債券，故該等債券自此一直違約。該等債券於二零一七年六月三十日及本報告日期仍未償還。受託人或債券持有人透過受託人可就尚未償還之該等債券向本公司採取法律行動。由於本公司具備足夠離岸金融資源履行尚未償還之該等債券下的還款責任，故本公司預期潛在的行動不會對本集團造成重大影響。

有關建議及相關債券持有人會議／決議案（視情況而定）之詳細資料，載於本公司日期分別為二零一五年九月二十二日、二零一五年十月七日、二零一五年十月二十九日、二零一六年三月二十九日、二零一六年四月八日、二零一六年五月三日、二零一六年六月三日、二零一六年八月二日、二零一六年九月九日、二零一六年九月十五日、二零一七年二月十四日、二零一七年三月十四日、二零一七年三月二十四日、二零一七年三月二十九日、二零一七年四月二十一日、二零一七年四月二十七日及二零一七年四月二十八日之公布。

The Offer

As disclosed in the Company's announcement dated 11 May 2017, the Company understood from Keen Start that Keen Start would invite holders of any and all of its outstanding Bonds to tender such Bonds for purchase by Keen Start at an amount equal to the aggregate outstanding principal amount of such Bonds plus any accrued but unpaid interest and default interest of such Bonds up to but excluding the settlement date (the "Offer"). Keen Start would purchase all, part or none of the Bonds tendered by any Bondholder pursuant to the Offer subject to certain conditions, including the aggregate principal amount of the Bonds being tendered by the Bondholders for purchase by Keen Start in the Offer shall exceed 75% of the aggregate outstanding principal amount of each of the 2016 Bonds and the 2019 Bonds.

Amongst others, Keen Start has expressed to the Company that, subject to completion of the purchase of the Bonds in the Offer, it is Keen Start's intention to discuss with the Company in good faith as to when the Company would be in a position to repay the outstanding Bonds and to discuss alternative proposals, if necessary, and it is also its intention to waive the default of the Company under the outstanding Bonds, subject to the terms of any proposal that may be agreed between Keen Start and the Company.

As disclosed in the Company's announcement dated 26 July 2017, Keen Start has received from the participating Bondholders holding more than 75% of the aggregate outstanding principal amount of each of the 2016 Bonds and the 2019 Bonds, respectively, sufficient email confirmations together with evidentiary support details that their relevant Bonds have been un-put and are ready to be traded. As at the date of this report, the Offer has not yet been completed.

Exposure to Exchange Rate Risk and Interest Rate Risk

The Group's assets, liabilities and transactions are mainly denominated either in Hong Kong dollar or Renminbi. The exchange rate of RMB fluctuated significantly in recent years, the Directors are aware that the fluctuations in exchange rate between Hong Kong dollar and Renminbi may give rise to potential foreign currency risk. The Group currently does not have a foreign currency hedging policy and will continue to monitor and evaluate the Group's foreign currency exposure and take actions as appropriate.

In terms of the interest rate risk exposures, the Group does not have any significant interest rate risk as the interest rates currently remain at low levels.

要約

誠如本公司日期為二零一七年五月十一日之公布所披露，本公司從Keen Start獲悉，Keen Start將邀請任何及所有其尚未償還該等債券之持有人提交該等債券，以供Keen Start按相等於該等債券之尚未償還本金總額另加該等債券直至結算日（不包括該日）之任何應計但尚未支付之利息及違約利息之金額購買（「要約」）。在若干條件（包括債券持有人所提交以供Keen Start根據要約購買之該等債券之本金總額需超過二零一六年債券及二零一九年債券各自之尚未償還本金總額之75%）之規限下，Keen Start可根據要約購買任何債券持有人所提交之全部或部分該等債券，或概不購買該等債券。

Keen Start已（其中包括）向本公司表示，待完成購買要約項下之該等債券後，Keen Start擬與本公司真誠商討本公司何時能償付尚未償還之該等債券，並討論有關替代方案（倘必要），此外，彼亦擬豁免本公司於尚未償還債券項下之違約責任，惟須受Keen Start與本公司可能協定之任何方案之條款所規限。

誠如本公司日期為二零一七年七月二十六日之公布所披露，Keen Start已分別從持有超過二零一六年債券及二零一九年債券各自之尚未償還本金總額75%之參與債券持有人收到足夠之確認電郵連同證據支持詳情，以確認彼等之相關該等債券未予認沽及可供買賣。於本報告日期，要約尚未完成。

匯率風險及利率風險

本集團之資產、負債及交易主要以港元或人民幣計算。人民幣匯率於近年大幅波動。董事注意到港元兌人民幣之匯率出現波動而可能引致潛在外匯風險。本集團現時並無制訂外匯對沖政策，惟將繼續密切監察及評估本集團之外匯風險，並採取適當行動。

於利率風險方面，由於現時利率維持於低水平，故本集團並無任何重大利率風險。

Material Acquisitions and Disposals of Subsidiaries

On 4 January 2016, REXCAPITAL Financial Group Limited, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Sunjet Investments Limited, in relation to (i) the sale and purchase of the entire issued share capital of Multi Glory, a wholly-owned subsidiary of the Company; and (ii) the assignment of the entire amount owing from Multi Glory to the Group, at the cash consideration of HK\$2,150,000,000. It was intended that the net proceeds from the Disposal would firstly be applied by the Company for redemption of the outstanding Put Bonds.

The Disposal constituted a major and connected transaction of the Company under the Listing Rules. The Sale and Purchase Agreement and the transactions contemplated thereunder has been approved by the independent shareholders of the Company.

The Disposal was completed in February 2017. Details of the Disposal are set out in the Company's circulars dated 29 February 2016 and 30 September 2016 and the announcements of the Company dated 18 March 2016, 29 March 2016, 29 April 2016, 19 May 2016, 27 July 2016, 31 October 2016, 9 January 2017, 27 January 2017 and 14 February 2017 respectively.

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries during the six months ended 30 June 2017.

Human Resources

At 30 June 2017, the Group had 557 employees.

The Group remunerated its employees mainly based on the individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share options may be granted to eligible employees by reference to the Group's performance as well as the individual's performance.

The Group will continue to emphasis on staff training and total quality management to better prepare its staff members for the upcoming changes and challenges in the market and industry.

附屬公司之重大收購及出售

於二零一六年一月四日，REXCAPITAL Financial Group Limited (本公司一間全資附屬公司)與Sunjet Investments Limited訂立買賣協議，內容有關(i)買賣Multi Glory (本公司一間全資附屬公司)之全部已發行股本；及(ii)轉讓Multi Glory結欠本集團之全部款項，現金代價為2,150,000,000港元。本公司擬將出售事項所得款項淨額首先用於贖回未償還認沽債券。

根據上市規則，出售事項構成本公司一項主要及關連交易。本公司獨立股東已批准買賣協議及據此擬進行之交易。

出售事項已於二零一七年二月完成。出售事項之詳情載於本公司日期為二零一六年二月二十九日及二零一六年九月三十日之通函以及本公司日期分別為二零一六年三月十八日、二零一六年三月二十九日、二零一六年四月二十九日、二零一六年五月十九日、二零一六年七月二十七日、二零一六年十月三十一日、二零一七年一月九日、二零一七年一月二十七日及二零一七年二月十四日之公布。

除上文所披露者外，於截至二零一七年六月三十日止六個月，本集團並無附屬公司之重大收購及出售。

人力資源

於二零一七年六月三十日，本集團共有557名僱員。

本集團主要按個別員工之表現及經驗酬報其僱員。除基本薪酬外，本集團亦會按本集團業績表現及個別員工表現向合資格僱員發放酌情花紅及授出購股權。

本集團將繼續重視員工培訓及全面品質管理，使員工能作好充分準備，面對市場及行業未來之轉變及挑戰。

OTHER INFORMATION

其他資料

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2017, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

Long position in the Shares and underlying Shares in the Company

董事及最高行政人員之權益

於二零一七年六月三十日，董事及最高行政人員於本公司或其任何相聯法團（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、相關股份或債券中擁有記錄在本公司根據證券及期貨條例第352條須存置之名冊上之權益或淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）已知會本公司及聯交所之權益或淡倉如下：

於本公司股份及相關股份之好倉

Name of Director	Nature of interest	Number of Shares held	Number of underlying Shares held	Total	Approximate percentage of issued share capital
董事姓名	權益性質	所持股份數目	所持相關股份數目	總計	佔已發行股本概約百分比
Chan How Chung, Victor 陳孝聰	Interests of controlled corporation/ Beneficial owner 受控制公司權益/ 實益擁有人	3,394,941,855 (Note 1) (附註1)	2,842,230,289 (Notes 2 and 3) (附註2及3)	6,237,172,144	62.19%
Boo Chun Lon 巫峻龍	Beneficial owner 實益擁有人	–	5,000,000 (Note 4) (附註4)	5,000,000	0.05%
Yuen Wai Ho 阮煒豪	Beneficial owner 實益擁有人	–	5,000,000 (Note 4) (附註4)	5,000,000	0.05%
Chow Siu Ngor 鄒小岳	Beneficial owner 實益擁有人	–	5,000,000 (Note 4) (附註4)	5,000,000	0.05%
Lee Ka Lun 李家麟	Beneficial owner 實益擁有人	–	5,000,000 (Note 4) (附註4)	5,000,000	0.05%

OTHER INFORMATION (continued)

Notes:

- (1) (i) 1,187,640,997 Shares are held by Keen Start and 307,300,858 Shares are held by Kingly Profits Corporation. Both Keen Start and Kingly Profits Corporation are indirectly wholly-owned by Mr. Chan How Chung, Victor; and (ii) Keen Start is also interested in 1,900,000,000 Subscription Shares to be issued pursuant to the Share Subscription. Details of the Share Subscription are disclosed in the section headed "Subscription Agreement in relation to of New Shares and New Bonds" in this Report.
- (2) (a) Keen Start is interested in 2,400,000,000 underlying Shares to be derived from the convertible bonds to be issued pursuant to the CB Subscription at the initial conversion price of HK\$0.145 per share; and (b) Keen Start offered to purchase part of the 2016 Bonds and the 2019 Bonds from certain bondholders, pursuant to which Keen Start is deemed to be interested in 135,155,781 underlying Shares and 302,074,508 underlying Shares to be derived from the 2016 Bonds and the 2019 Bonds at the applicable conversion price of HK\$0.5600 per share and HK\$1.3700 per share respectively. Details of the CB Subscription, and the offer made by Keen Start to the bondholders are disclosed in the sections headed "Subscription Agreement in relation to New Shares and New Bonds" and "The Offer" in this Report.
- (3) Mr. Chan How Chung, Victor is beneficially interested in 5,000,000 underlying Shares to be derived from the share options granted under the share option scheme adopted by the Company on 28 June 2012 (the "2012 Scheme").
- (4) These represent the underlying Shares to be derived from the share options granted by the Company under the 2012 Scheme.

Save as disclosed above, as at 30 June 2017, none of the Directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its other associated corporations (within the meaning of Part XV of the SFO and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

其他資料 (續)

附註:

- (1) (i) 1,187,640,997股股份由Keen Start持有及307,300,858股股份由Kingly Profits Corporation持有。Keen Start及Kingly Profits Corporation均由陳孝聰先生間接全資擁有；及(ii) Keen Start亦於根據股份認購事項將發行之1,900,000,000股認購股份中擁有權益。股份認購事項之詳情於本報告「有關新股份及新債券之認購協議」一節內披露。
- (2) (a) Keen Start於2,400,000,000股相關股份中擁有權益，該等股份產生自根據可換股債券認購事項將發行之可換股債券（按每股0.145港元之初步轉換價計算）；及(b) Keen Start向若干債券持有人提出收購部分二零一六年債券及二零一九年債券，據此，Keen Start被視為於135,155,781股相關股份及302,074,508股相關股份中擁有權益，該等相關股份產生自二零一六年債券及二零一九年債券（分別按每股0.5600港元及每股1.3700港元之適用轉換價計算）。可換股債券認購事項及Keen Start向債券持有人提出要約之詳情，於本報告「有關新股份及新債券之認購協議」及「要約」兩節中披露。
- (3) 陳孝聰先生於5,000,000股相關股份中擁有實益權益，該等相關股份產生自根據本公司於二零一二年六月二十八日採納之購股權計劃（「二零一二年計劃」）授出之購股權。
- (4) 指產生自本公司根據二零一二年計劃授出之購股權之相關股份。

除上文所披露者外，於二零一七年六月三十日，董事或最高行政人員概無於本公司或其任何其他相聯法團（定義見證券及期貨條例第XV部及香港法例第622章公司條例）之股份、相關股份或債券中擁有記錄在根據證券及期貨條例第352條須存置之名冊上之任何權益或淡倉，或根據標準守則已知會本公司及聯交所之任何權益或淡倉。

OTHER INFORMATION (continued)

其他資料 (續)

SHARE OPTIONS

The movements in share options granted under the 2012 Scheme during the six months ended 30 June 2017 are shown below:

購股權

於截至二零一七年六月三十日止六個月內，根據二零一二年計劃授出之購股權變動列示如下：

Category of participant 參與人士類別	Number of share options 購股權數目				At 30 June 2017 於二零一七年 六月三十日	Date of grant 授出日期	Exercise price per Share 每股 行使價 HK\$ 港元	Exercisable period 行使期
	At 1 January 2017 於二零一七年 一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效				
Directors/substantial shareholder 董事／主要股東								
Chan How Chung, Victor 陳孝聰	5,000,000	-	-	-	5,000,000	29/09/2016	0.1082	29/09/2016 – 28/09/2018
Boo Chun Lon 巫峻龍	5,000,000	-	-	-	5,000,000	29/09/2016	0.1082	29/09/2016 – 28/09/2018
Yuen Wai Ho 阮煒豪	5,000,000	-	-	-	5,000,000	29/09/2016	0.1082	29/09/2016 – 28/09/2018
Chow Siu Ngor 鄒小岳	5,000,000	-	-	-	5,000,000	29/09/2016	0.1082	29/09/2016 – 28/09/2018
Lee Ka Lun 李家麟	5,000,000	-	-	-	5,000,000	29/09/2016	0.1082	29/09/2016 – 28/09/2018
Employees 僱員	285,000,000	-	-	-	285,000,000	29/09/2016	0.1082	29/09/2016 – 28/09/2018
Total 總計	<u>310,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,000,000</u>			

During the six months ended 30 June 2017, no share option was granted under the 2012 Scheme.

於截至二零一七年六月三十日止六個月內，概無根據二零一二年計劃授出任何購股權。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2017, the interests or short positions of the following parties (other than a director or chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

主要股東權益

於二零一七年六月三十日，按本公司根據證券及期貨條例第336條須存置之登記冊所載，下列各方（除本公司董事或最高行政人員外）於本公司股份或相關股份中擁有之權益或淡倉如下：

Long position in the Shares and underlying Shares in the Company**於本公司股份及相關股份之好倉**

Name of Shareholder	Nature of interest	Number of Shares held	Number of underlying Shares held	Total	Approximate percentage of issued share capital
股東名稱／姓名	權益性質	所持股份數目	所持相關股份數目	總計	佔已發行股本概約百分比
Smart Ease Corporation	Interest of controlled corporation 受控制公司權益	3,394,941,855	2,837,230,289	6,232,172,144 (Notes A and B) (附註A及B)	62.14%
Keen Start Limited	Beneficial owner 實益擁有人	3,087,640,997	2,837,230,289	5,924,871,286 (Note A) (附註A)	59.08%

Notes:

- A. 3,087,640,997 Shares and 2,837,230,289 underlying Shares are held by Keen Start as beneficial owner. Keen Start is wholly-owned by Smart Ease Corporation, which in turn, is wholly-owned by Mr. Chan How Chung, Victor. The interest disclosed herein was included in the interest of Mr. Chan How Chung, Victor as disclosed in the section headed "Interests of Directors and Chief Executives" in this report.
- B. 307,300,858 Shares are held by Kingly Profits Corporation as beneficial owner. Kingly Profits Corporation is wholly-owned by Smart Ease Corporation, which in turn, is wholly-owned by Mr. Chan How Chung, Victor. The interest disclosed herein was included in the interest of Mr. Chan How Chung, Victor as disclosed in the section headed "Interests of Directors and Chief Executives" in this report.

附註：

- A. 3,087,640,997股股份及2,837,230,289股相關股份由Keen Start作為實益擁有人持有。Keen Start由Smart Ease Corporation全資擁有，而Smart Ease Corporation由陳孝聰先生全資擁有。誠如本報告「董事及最高行政人員之權益」一節所披露，於此披露之權益計入陳孝聰先生之權益內。
- B. 307,300,858股股份由Kingly Profits Corporation作為實益擁有人持有。Kingly Profits Corporation由Smart Ease Corporation全資擁有，而Smart Ease Corporation由陳孝聰先生全資擁有。誠如本報告「董事及最高行政人員之權益」一節所披露，於此披露之權益計入陳孝聰先生之權益內。

Save as disclosed above, the register required to be kept under Section 336 of the SFO shows that as at 30 June 2017, the Company had not been notified of any other person who had an interest or short position in the shares and underlying shares of the Company.

除上文所披露者外，根據證券及期貨條例第336條須存置之登記冊所顯示，於二零一七年六月三十日，本公司並無獲知會任何其他人士於本公司股份及相關股份中擁有權益或淡倉。

OTHER INFORMATION (continued)

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2017 (2016: Nil).

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

During the six month ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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 the code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2017.

CHANGES IN INFORMATION OF DIRECTOR

Mr. Chan How Chung, Victor, an executive Director, was entitled to an emolument of HK\$527,420 per month plus allowance and discretionary bonus with effect from 1 February 2017.

AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2017.

CORPORATE GOVERNANCE

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the six months period, in compliance with the code provisions (the "Code Provision(s)") under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except the following deviations:

Under the Code Provision A.2.1, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company does not at present have a Chairman nor a Chief Executive. Nevertheless, the main duties and responsibilities of a Chairman and a Chief Executive are currently held by separate individuals with written guidelines for the division of responsibilities with a view to maintain an effective segregation of duties between the management of the Board and the day-to-day management of the Group's business and operations. The Company will continue to review the effectiveness of the Group's corporate governance structure and consider the appointment of a Chairman of the Board and a Chief Executive if candidates with suitable leadership, knowledge, skills and experience can be identified within or outside the Group.

其他資料 (續)

中期股息

董事會不建議派付截至二零一七年六月三十日止六個月之中期股息(二零一六年:無)。

購買、出售或贖回本公司之上市證券

於截至二零一七年六月三十日止六個月,本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則,作為董事進行證券交易之操守守則。經本公司作出明確查詢後,全體董事均已確認彼等已於截至二零一七年六月三十日止六個月一直遵守標準守則所規定之標準。

董事資料變動

執行董事陳孝聰先生享有酬金每月527,420港元另加津貼及酌情花紅,自二零一七年二月一日起生效。

審核委員會

審核委員會已會同管理層審閱本集團採納之會計原則及慣例,並討論內部監控及財務申報事宜,包括審閱截至二零一七年六月三十日止六個月之未經審核中期財務報表。

企業管治

董事概不知悉有任何資料合理地顯示,本公司現時或曾於六個月期間內未有遵守上市規則附錄十四所載之企業管治守則之守則條文(「守則條文」),惟有以下偏離情況:

根據守則條文A.2.1,主席與行政總裁之角色應有區分,並不應由一人同時兼任。主席及行政總裁之責任應作清晰區分,並以書面載列。本公司目前並無主席或行政總裁。然而,為繼續有效區分董事會管理與本集團業務及營運之日常管理職責,主席及行政總裁之主要職務及責任目前由獨立之個別人士根據有關區別責任之書面指引擔任。本公司將繼續檢討本集團企業管治架構之成效,並考慮於本集團內部或以外物色具備合適領導才能、知識、技能及經驗之人選分別擔任董事會主席及行政總裁。

OTHER INFORMATION *(continued)*

Under the Code Provision A.4.1 requires that non-executive Directors should be appointed for a specific term, subject to re-election. Currently, the independent non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified in the Company's Bye-laws.

By order of the Board

Chan How Chung, Victor
Executive Director

Hong Kong, 30 August 2017

其他資料 (續)

守則條文A.4.1規定，非執行董事之委任應有指定任期，並須接受重新選舉。現時，獨立非執行董事並無指定任期，惟須按本公司之公司細則所指定於本公司之股東週年大會上輪值告退。

承董事會命

執行董事
陳孝聰

香港，二零一七年八月三十日

