



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)

Interim Report
中期報告

2018



CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2018

簡明綜合收益表

截至二零一八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 2018 together with the unaudited comparative figures for the corresponding period in 2017 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」)截至二零一八年六月三十日止六個月之未經審核綜合中期業績，連同二零一七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 | |
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| | | | (Restated) |
| | | | (經重列) |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | Notes 附註 | | |
| Revenue | 4 | 111,599 | 241,774 |
| Cost of sales/services rendered | | (59,750) | (117,614) |
| Other income | | 13,902 | 7,355 |
| Other losses, net | | - | (11,645) |
| Gain on disposal of subsidiaries | 19 | - | 165,290 |
| Selling and distribution expenses | | (20,057) | (23,962) |
| Administrative expenses | | (159,715) | (147,220) |
| Operating (loss)/profit | | (114,021) | 113,978 |
| Finance costs | | (21,782) | (41,913) |
| Share of losses of joint ventures | | (1,059) | (4,106) |
| (Loss)/profit before taxation | | (136,862) | 67,959 |
| Taxation | 6 | (6,568) | (212,281) |
| Loss for the period | | (143,430) | (144,322) |
| Attributable to: | | | |
| Equity shareholders of the Company | | (140,492) | (141,704) |
| Non-controlling interests | | (2,938) | (2,618) |
| | | (143,430) | (144,322) |
| | | | (Adjusted) |
| | | | (經調整) |
| Loss per share for loss attributable to equity shareholders of the Company | | | |
| - Basic and diluted | 8 | (1.09) cents 仙 | (1.40) cents 仙 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

簡明綜合全面收益表

截至二零一八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 | |
|--|--------------------|---|---|
| | | 2018 二零一八年 (Unaudited) (未經審核) | 2017 二零一七年 (Unaudited) (未經審核) (Restated) (經重列) |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Loss for the period | 期間虧損 | (143,430) | (144,322) |
| Other comprehensive (expense)/income | 其他全面(開支)/收益 | | |
| 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 | (8,078) | 52,338 |
| Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries | 出售附屬公司時匯兌儲備重新分類至損益 | - | 41,105 |
| Share of other comprehensive (expense)/income of joint ventures | 分佔合營企業之其他全面(開支)/收益 | (1,039) | 4,191 |
| Total other comprehensive (expense)/income | 其他全面(開支)/收益總額 | (9,117) | 97,634 |
| Total comprehensive expense for the period | 期間全面開支總額 | (152,547) | (46,688) |
| Attributable to: | 以下人士應佔： | | |
| Equity shareholders of the Company | 本公司權益股東 | (149,322) | (46,454) |
| Non-controlling interests | 非控股權益 | (3,225) | (234) |
| | | (152,547) | (46,688) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

簡明綜合財務狀況表

於二零一八年六月三十日

| | | At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 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 | | 36,090 | 41,136 |
| Prepaid lease payments on land use rights | | 704 | 710 |
| Financial assets at fair value through other comprehensive income | | 236,124 | - |
| Financial assets at amortized cost | | 949 | - |
| Interests in joint ventures | | 91,140 | 172,220 |
| Amount due from a joint venture | | 2,372 | 2,393 |
| Available-for-sale financial assets | | - | 239,432 |
| Deferred tax assets | | 83 | 83 |
| Total non-current assets | | <u>367,462</u> | <u>455,974</u> |
| Current assets | | | |
| Inventories | | 18,819 | 17,125 |
| Trade receivables | 9 | 336,978 | 388,791 |
| Utility and other deposits | | 1,698,818 | 1,451,872 |
| Prepayments and other receivables | | 1,916,370 | 1,962,837 |
| Current tax refundable | | 43 | 43 |
| Cash and bank balances | 10 | 1,754,388 | 1,841,219 |
| | | <u>5,725,416</u> | <u>5,661,887</u> |
| Assets of the disposal groups classified as held for sale | 18 | <u>289,133</u> | <u>219,564</u> |
| Total current assets | | <u>6,014,549</u> | <u>5,881,451</u> |
| Total assets | | <u>6,382,011</u> | <u>6,337,425</u> |
| EQUITY | | | |
| Capital and reserves attributable to equity shareholders of the Company | | | |
| Share capital | 14 | 150,427 | 100,285 |
| Reserves | | 4,757,869 | 4,812,857 |
| | | <u>4,908,296</u> | <u>4,913,142</u> |
| Non-controlling interests | | 25,717 | 28,942 |
| Total equity | | <u>4,934,013</u> | <u>4,942,084</u> |

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

At 30 June 2018

簡明綜合財務狀況表

(續)

於二零一八年六月三十日

| | | At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 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 joint ventures | | 66,389 | 66,552 |
| Deferred tax liabilities | | 45,219 | 45,352 |
| Contract liabilities | | 4,942 | – |
| Total non-current liabilities | | 116,550 | 111,904 |
| Current liabilities | | | |
| Trade payables | 12 | 9,073 | 8,238 |
| Other payables and accruals | | 97,722 | 70,321 |
| Contract liabilities | | 13,248 | – |
| Bank borrowing | 13 | – | 5,362 |
| Convertible bonds | 11 | 652,309 | 652,309 |
| Amount due to related parties | 17 | 431,870 | 426,252 |
| Current tax liabilities | | 6,483 | 197 |
| | | 1,210,705 | 1,162,679 |
| Liabilities directly associated with the assets of the disposal groups classified as held for sale | 18 | 120,743 | 120,758 |
| Total current liabilities | | 1,331,448 | 1,283,437 |
| Total liabilities | | 1,447,998 | 1,395,341 |
| Total equity and liabilities | | 6,382,011 | 6,337,425 |
| Net current assets | | 4,683,101 | 4,598,014 |
| Total assets less current liabilities | | 5,050,563 | 5,053,988 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

簡明綜合權益變動表

截至二零一八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 | | | | | | | | Non-controlling interests | Total equity |
|---|----------------------------------|---|-------------------------|-------------------------------|--------------------------------|-----------------------------------|------------------------------|-------------------------|-----------------------|---------------------------|-------------------------|
| | | Share capital | Share premium | Capital redemption reserve | Convertible bonds reserve | Share-based payment reserve | Exchange translation reserve | Retained profits | Total | | |
| | | 股本 HK\$'000 千港元 | 股份溢價 HK\$'000 千港元 | 贖回儲備 資本 HK\$'000 千港元 | 債券儲備 可換股 HK\$'000 千港元 | 以股份支付 款項之儲備 HK\$'000 千港元 | 匯兌儲備 HK\$'000 千港元 | 保留溢利 HK\$'000 千港元 | 合計 HK\$'000 千港元 | 非控股權益 HK\$'000 千港元 | 權益總額 HK\$'000 千港元 |
| 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 (restated) | 期間虧損(經重列) | - | - | - | - | - | - | (141,704) | (141,704) | (2,618) | (144,322) |
| Other comprehensive income for the period | 期間其他全面收益 | - | - | - | - | - | 54,145 | - | 54,145 | 2,384 | 56,529 |
| Release of exchange differences upon disposal of subsidiaries (restated) | 於出售附屬公司時解除匯兌差額(經重列) | - | - | - | - | - | 41,105 | - | 41,105 | - | 41,105 |
| Total comprehensive income/(expense) for the period ended 30 June 2017 (restated) | 截至二零一七年六月三十日止期間之全面收益/(開支)總額(經重列) | - | - | - | - | - | 95,250 | (141,704) | (46,454) | (234) | (46,688) |
| 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 (restated) | 於二零一七年六月三十日(經重列) | 100,285 | 4,018,663 | 3,025 | 120,449 | 9,053 | (38,241) | 1,196,646 | 5,409,880 | 50,850 | 5,460,730 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 100,285 | 4,018,663 | 3,025 | 120,449 | 9,053 | 27,582 | 634,085 | 4,913,142 | 28,942 | 4,942,084 |
| Change in accounting policies | 會計政策變動 | - | - | - | - | - | - | (104,380) | (104,380) | - | (104,380) |
| Restated total equity at 1 January 2018 | 於二零一八年一月一日之經重列權益總額 | 100,285 | 4,018,663 | 3,025 | 120,449 | 9,053 | 27,582 | 529,705 | 4,808,762 | 28,942 | 4,837,704 |
| Loss for the period | 期間虧損 | - | - | - | - | - | - | (140,492) | (140,492) | (2,938) | (143,430) |
| Other comprehensive expense for the period | 期間其他全面開支 | - | - | - | - | - | (8,830) | - | (8,830) | (287) | (9,117) |
| Total comprehensive expense for the period ended 30 June 2018 | 截至二零一八年六月三十日止期間之全面開支總額 | - | - | - | - | - | (8,830) | (140,492) | (149,322) | (3,225) | (152,547) |
| Issue of shares | 發行股份 | 50,142 | 205,584 | - | - | - | - | - | 255,726 | - | 255,726 |
| Transaction costs attributable to rights issue | 供股應佔之交易成本 | - | (6,870) | - | - | - | - | - | (6,870) | - | (6,870) |
| At 30 June 2018 | 於二零一八年六月三十日 | 150,427 | 4,217,377* | 3,025* | 120,449* | 9,053* | 18,752* | 389,213* | 4,908,296 | 25,717 | 4,934,013 |

* These reserve accounts comprise the consolidated reserves of approximately HK\$4,757,869,000 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4,757,869,000港元。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

簡明綜合現金流量表

截至二零一八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 | |
|--|------------------------------|---|---|
| | | 2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 | 2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Net cash used in operating activities | 經營業務所用現金淨額 | (325,290) | (199,488) |
| Net cash used in investing activities | 投資活動所用現金淨額 | (806,306) | (159,785) |
| Net cash generated from/(used in) financing activities | 融資活動所得／(所用)現金淨額 | 246,292 | (665,681) |
| Decrease in cash and cash equivalents | 現金及現金等價物減少 | (885,304) | (1,024,954) |
| Exchange differences on cash and cash equivalents | 現金及現金等價物之匯兌差額 | (4,291) | 39,490 |
| Cash and cash equivalents at 1 January | 於一月一日之現金及現金等價物 | 1,347,580 | 2,237,048 |
| Cash and cash equivalents at 30 June | 於六月三十日之現金及現金等價物 | 457,985 | 1,251,584 |
| Analysis of the balances of cash and cash equivalents | 現金及現金等價物結餘分析 | | |
| Cash at banks | 銀行現金 | 457,393 | 1,250,371 |
| Cash in hand | 手頭現金 | 392 | 1,213 |
| Cash and bank balances included in the disposal groups classified as held for sale (Note 18) | 計入分類為持作出售之出售組別之現金及銀行結餘(附註18) | 200 | — |
| Cash and cash equivalents | 現金及現金等價物 | 457,985 | 1,251,584 |
| Fixed bank deposits | 定期銀行存款 | 1,296,603 | 474,483 |
| Cash and bank balances | 現金及銀行結餘 | 1,754,588 | 1,726,067 |

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

未經審核簡明中期財務報表附註

截至二零一八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 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"). The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by 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 2017 except for the adoption of new and revised standard and interpretation with effect from 1 January 2018.

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 2018.

| | |
|------------------------|---|
| Amendments to HKFRSs | Annual improvements to HKFRSs 2014-2016 cycle |
| Amendments to HKAS 40 | Transfers of investment property |
| Amendments to HKFRS 2 | Classification and measurement of share-based payment transactions |
| Amendments to HKFRS 4 | Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts |
| Amendments to HKFRS 15 | Clarifications to HKFRS 15 |
| HK(IFRIC) – Int 22 | Foreign currency transactions and advance consideration |
| HKFRS 9 | Financial instruments |
| HKFRS 15 | Revenue from contracts with customers |

The adoption of Amendments to HKFRSs, Amendments to HKAS 40, Amendments to HKFRS 2, Amendments to HKFRS 4 and HK(IFRIC) – Int 22 had no material effect on the Group's accounting policies.

1. 編製基準

一般資料

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」）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。未經審核簡明綜合中期財務報表應與截至二零一七年十二月三十一日止年度之年度財務報表（按照香港會計師公會頒布之香港財務報告準則編製）一併閱讀。

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二零一七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，惟採納由二零一八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，並於本集團由二零一八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40號之修訂 | 轉讓投資物業 |
| 香港財務報告準則第2號之修訂 | 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 | 對香港財務報告準則第4號「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15號之修訂 | 釐清香港財務報告準則第15號 |
| 香港（國際財務報告詮釋委員會）—詮釋第22號 | 外幣交易及預付預收代價 |
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 客戶合約收入 |

採納香港財務報告準則之修訂、香港會計準則第40號之修訂、香港財務報告準則第2號之修訂、香港財務報告準則第4號之修訂及香港（國際財務報告詮釋委員會）—詮釋第22號對本集團之會計政策並無重大影響。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

未經審核簡明 中期財務報表附註(續)

截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Impacts and changes in accounting policies of application on HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 and Amendments to HKFRS 15 apply to all revenue arising from contracts with customers, unless those contracts are in the scope of other HKFRS. HKFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and the revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferred goods or services to customers. HKFRS 15 requires the Group to exercise judgement, taking into consideration of all the relevant facts and circumstances when applying each step of the model to contract with their customers.

In prior reporting periods, the Group accounted for the sales of lottery related products when significant risks and rewards of ownership of the product have been transferred to the customers. Under HKFRS 15, revenue from sales of lottery related products is recognized when or as the control of the asset is transferred to the customer. Accordingly, revenue generated from warranties for lottery products were recognized over time when the services are provided.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognized at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognized in the opening retained profits and comparative information has not been restated. Accordingly, certain comparative information may not be comparable.

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognized in the condensed consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

2. 主要會計政策(續)

(a) 應用香港財務報告準則第15號「客戶合約收入」對會計政策之影響及改變

香港財務報告準則第15號及香港財務報告準則第15號之修訂適用於所有來自客戶合約之收入，除非該等合約屬於其他香港財務報告準則之範圍，則作別論。香港財務報告準則第15號確立了一項入賬五步模型，用以處理來自客戶合約之收入，而收入確認之金額反映實體預期將貨品或服務轉讓予客戶而有權換取之代價。香港財務報告準則第15號要求本集團在應用該模型每一步驟至其客戶合約時須考慮所有相關事實及情況，然後作出判斷。

於過往報告期間，本集團在彩票相關產品擁有權之重大風險及回報已轉移至客戶時，將該等產品之銷售列賬。根據香港財務報告準則第15號，銷售彩票相關產品之收入須於資產控制權轉移至客戶時確認。因此，彩票產品保養產生之收入按服務提供時間確認。

本集團已追溯應用香港財務報告準則第15號，而初始應用該準則之累計影響已於二零一八年一月一日初始應用當日確認。於初始應用日期之任何差異於期初保留溢利內確認，並無重列比較資料。因此，若干比較資料未必可作比較。

初始應用香港財務報告準則第15號之影響概要

本集團已對於二零一八年一月一日之簡明綜合財務狀況表內確認之金額作出以下調整。不受有關變動影響之項目不包括在內。

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

For the six months ended 30 June 2018

**未經審核簡明
中期財務報表附註** (續)

截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

- (a) **Impacts and changes in accounting policies of application on HKFRS 15 “Revenue from Contracts with Customers”** (continued)
Impacts on assets, liabilities and reserve as at 1 January 2018

2. 主要會計政策 (續)

- (a) 應用香港財務報告準則第15號「客戶合約收入」對會計政策之影響及改變 (續)
對於二零一八年一月一日之資產、負債及儲備之影響

| | | Carrying amount previously reported at 31 December 2017 | Impacts of adopting HKFRS 15 | Carrying amounts under HKFRS 15 at 1 January 2018* |
|----------------------|------|--|--|---|
| | | 先前 於二零一七年 十二月三十一日 呈報之賬面值 (Audited) (經審核) HK\$'000 千港元 | 採納香港財務 報告準則 第15號之影響 HK\$'000 千港元 | 根據香港財務 報告準則第15號 於二零一八年 一月一日之 賬面值* (Unaudited) (未經審核) HK\$'000 千港元 |
| Contract liabilities | 合約負債 | – | 23,597 | 23,597 |
| Retained profits | 保留溢利 | 634,085 | (23,597) | 610,488 |

* The amounts in this column are before the adjustments from the application of HKFRS 9.

* 本欄金額並未包括應用香港財務報告準則第9號所作之調整。

- (b) **Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments”**

For this reporting period, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. the Group has applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognized as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognized as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognized in the opening retained profits and other components of equity, without restating comparative information.

- (b) 應用香港財務報告準則第9號「金融工具」對會計政策之影響及改變

於本報告期，本集團已應用香港財務報告準則第9號「金融工具」及對其他相關香港財務報告準則之相應修訂。香港財務報告準則第9號引入了有關1)金融資產及金融負債之分類及計量、2)金融資產之預期信貸虧損及3)一般對沖會計處理之新規定。

本集團已根據香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即本集團已對於二零一八年一月一日(初始應用日期)尚未終止確認之工具追溯應用分類及計量規定(包括減值)，而並無對於二零一八年一月一日已終止確認之工具應用相關規定。於二零一七年十二月三十一日之賬面值與於二零一八年一月一日之賬面值之間的差額於期初保留溢利及其他權益部分內確認，並無重列比較資料。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

未經審核簡明 中期財務報表附註(續)

截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

The Group recognizes a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, utility and other deposit, prepayment and other receivable and assets of the disposal groups classified as held for sale). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are made based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime ECL.

2. 主要會計政策(續)

(b) 應用香港財務報告準則第9號「金融工具」對會計政策之影響及改變(續)

由於比較資料乃根據香港會計準則第39號「金融工具：確認及計量」編製，因此，若干比較資料未必可作比較。

本集團就須根據香港財務報告準則第9號減值之金融資產(包括應收貿易賬款、公用事業及其他按金、預繳款項及其他應收款項以及分類為持作出售之出售組別之資產)之預期信貸虧損確認虧損撥備。預期信貸虧損之金額於各報告日期更新，以反映自初始確認後信貸風險之變化。

可用年限預期信貸虧損指於相關工具之預計年期內所有可能發生之違約事件所產生之預期信貸虧損。相反，十二個月預期信貸虧損指預計於報告日期後十二個月內可能發生之違約事件所產生之部分可用年限預期信貸虧損。本集團根據其過往信貸虧損經驗進行評估，並就債務人之特定因素、整體經濟狀況以及對於報告日期當前狀況及對未來狀況預測之評估予以調整。

本集團一直就應收貿易賬款確認可用年限預期信貸虧損。本集團個別評估涉及擁有大量結餘之債務人之資產及/或採用合適組別之撥備矩陣集體評估有關資產之預期信貸虧損。

至於所有其他工具，本集團計算之虧損撥備相等於十二個月預期信貸虧損，除非自初始確認後信貸風險顯著增加，在此情況下本集團會確認可用年限預期信貸虧損。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

未經審核簡明 中期財務報表附註 (續)

截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments”

(continued)

Summary of effects arising from initial application of HKFRS 9

Impairment under ECL model

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Reclassification from available-for-sale (“AFS”) equity investment to financial assets at fair value through other comprehensive income (“FVTOCI”)

The Group elected to present in other comprehensive income the fair value changes of its equity investment previously classified as AFS, of which approximately HK\$237,876,000 related to unquoted equity investment, i.e. investment in an indirect non wholly-owned company in China and investment in a private enterprise fund established in the PRC, previously measured at cost less impairment under HKAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, approximately HK\$237,876,000 were reclassified from available-for-sale investment to financial assets at FVTOCI, of which approximately HK\$237,876,000 related to unquoted equity investments previously measured at cost less impairment under HKAS 39. No fair value adjustment relating to this unquoted equity investment previously carried at cost less impairment was adjusted to financial assets at FVTOCI and FVTOCI reserve as at 1 January 2018 because carrying value under HKAS 39 was not materially different from the fair value as at 1 January 2018.

2. 主要會計政策 (續)

(b) 應用香港財務報告準則第9號「金融工具」對會計政策之影響及改變

(續)

初始應用香港財務報告準則第9號之影響概要

預期信貸虧損模型下之減值

就金融資產減值而言，與香港會計準則第39號項下採用已產生信貸虧損模型之情況相反，香港財務報告準則第9號要求按預期信貸虧損模型進行計量。預期信貸虧損模型要求實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

由可供出售股本投資重新分類至通過其他全面收益按公允值計量之金融資產

本集團選擇於其他全面收益內呈列其先前分類為可供出售之股本投資之公允值變動，其中約237,876,000港元乃關於與無報價股本投資（即於中國一間間接非全資公司之投資及於一個在中國成立之私人企業基金之投資，先前根據香港會計準則第39號按成本扣除減值計量）。該等投資並非持作買賣，亦預期不會於可見將來出售。於初始應用香港財務報告準則第9號當日，約237,876,000港元由可供出售投資重新分類為通過其他全面收益按公允值計量之金融資產，其中約237,876,000港元乃關於先前根據香港會計準則第39號按成本扣除減值計量之無報價股本投資。由於該先前按成本扣除減值列賬之無報價股本投資於香港會計準則第39號項下之賬面值與其於二零一八年一月一日之公允值並無重大差異，因此於二零一八年一月一日之通過其他全面收益按公允值計量之金融資產及通過其他全面收益按公允值計量之儲備概無作出與該無報價股本投資相關之公允值調整。

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

For the six months ended 30 June 2018

**未經審核簡明
中期財務報表附註** (續)

截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments”

(continued)

Summary of effects arising from initial application of HKFRS 9 (continued)

Reclassification from AFS unlisted investment fund to financial assets at amortized cost

The Group elected to present in financial assets at amortized cost previously classified as AFS, of which approximately HK\$1,556,000 related to unlisted investment fund with a bank, previously measured at cost less impairment under HKAS 39. At the date of initial application of HKFRS 9, approximately HK\$1,556,000 were reclassified from available-for-sale investment to financial assets at amortized cost, of which approximately HK\$1,556,000 related to unlisted investment fund previously measured at cost less impairment under HKAS 39.

The following adjustments were made to the amounts recognized in the condensed consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

Impacts on assets, liabilities and reserve as at 1 January 2018

2. 主要會計政策 (續)

(b) 應用香港財務報告準則第9號「金融工具」對會計政策之影響及改變

(續)

初始應用香港財務報告準則第9號之影響概要 (續)

由可供出售非上市投資基金重新分類為按攤銷成本計量之金融資產

本集團選擇於按攤銷成本計量之金融資產呈列先前分類為可供出售之金融資產，其中約1,556,000港元乃關於一項與銀行之非上市投資基金（先前根據香港會計準則第39號按成本扣除減值計量）。於初始應用香港財務報告準則第9號當日，約1,556,000港元由可供出售投資重新分類為按攤銷成本計量之金融資產，其中約1,556,000港元乃關於先前根據香港會計準則第39號按成本扣除減值計量之非上市投資基金。

本集團已對於二零一八年一月一日之簡明綜合財務狀況表確認之金額作出以下調整。不受有關變動影響之項目不包括在內。

對於二零一八年一月一日之資產、負債及儲備之影響

| | | Carrying amounts previously reported at 31 December 2017 | Impacts of adopting HKFRS 9 | Carrying amounts under HKFRS 9 at 1 January 2018* |
|---|---------------------|--|---|--|
| | | 先前 於二零一七年 十二月三十一日 呈報之賬面值 (Audited) (經審核) HK\$'000 千港元 | 採納香港財務 報告準則 第9號之影響 HK\$'000 千港元 | 根據香港財務 報告準則第9號 於二零一八年 一月一日之 賬面值* (Unaudited) (未經審核) HK\$'000 千港元 |
| Available-for-sale financial assets | 可供出售金融資產 | 239,432 | (239,432) | - |
| Financial assets at fair value through other comprehensive income | 通過其他全面收益按公允值計量之金融資產 | - | 237,876 | 237,876 |
| Financial assets at amortized cost | 按攤銷成本計量之金融資產 | - | 1,556 | 1,556 |
| Trade receivables | 應收貿易賬款 | 388,791 | (19,481) | 369,310 |
| Utility and other deposits | 公用事業及其他按金 | 1,451,872 | (17,777) | 1,434,095 |
| Prepayments and other receivables | 預繳款項及其他應收款項 | 1,962,837 | (30,663) | 1,932,174 |
| Assets of the disposal groups classified as held for sale | 分類為持作出售之出售組別之資產 | 219,564 | (12,862) | 206,702 |
| Retained profits | 保留溢利 | 634,085 | (80,783) | 553,302 |

* The amounts in this column are before the adjustments from the application of HKFRS 15.

* 本欄金額並未包括應用香港財務報告準則第15號所作之調整。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2018

未經審核簡明 中期財務報表附註 (續)

截至二零一八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 HKFRSs ¹ | Annual improvements to HKFRSs 2015-2017 |
| Amendments to HKAS 28 (2011) ¹ | Long-term interests in an associate or joint venture |
| Amendments to HKFRS 9 ¹ | Prepayment features with negative compensation |
| Amendments to HKFRS 10 and HKAS 28 (2011) ³ | Sales or contribution of assets between an investor and its associate or joint venture |
| HKFRS 16 ¹ | Leases |
| HKFRS 17 ² | Insurance Contracts |
| HK(IFRIC) – Int 23 ² | Uncertainty over income tax treatments |

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

² Effective for annual periods beginning on or after 1 January 2021

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尚未生效之新訂或經修訂準則及修訂。

| | |
|--|-------------------------------|
| 香港財務報告準則之修訂 ¹ | 香港財務報告準則之年度改進 (二零一五年至二零一七年週期) |
| 香港會計準則第28號 (二零一一年) 之修訂 ¹ | 於聯營公司或合營企業之長期權益 |
| 香港財務報告準則第9號之修訂 ¹ | 具有負補償之預收預付款項特性 |
| 香港財務報告準則第10號及香港會計準則第28號 (二零一一年) 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16號 ¹ | 租賃 |
| 香港財務報告準則第17號 ² | 保險合約 |
| 香港 (國際財務報告詮釋委員會) – 詮釋第23號 ¹ | 所得稅處理之不確定因素 |

¹ 於二零一九年一月一日或之後開始之年度期間生效

² 於二零二一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尚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 2018

未經審核簡明 中期財務報表附註(續)

截至二零一八年六月三十日止六個月

3. SEGMENT INFORMATION

The Group manages its business by divisions which are organized 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

| | | Lottery business | |
|---|---------------------|---------------------------------|--------------------|
| | | 彩票業務 | |
| | | Six months ended 30 June | |
| | | 截至六月三十日止六個月 | |
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| | | | (Restated) |
| | | | (經重列) |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Revenue | 收入 | 111,599 | 241,774 |
| Segment results | 分部業績 | (61,772) | 28,400 |
| Gain on disposal of subsidiaries (Note 19) | 出售附屬公司之收益 (附註19) | - | 165,290 |
| Net unallocated expenses | 未分類開支淨額 | (75,090) | (125,731) |
| (Loss)/profit before taxation | 除稅前(虧損)/溢利 | (136,862) | 67,959 |
| Taxation | 稅項 | (6,568) | (212,281) |
| Loss for the period | 期間虧損 | (143,430) | (144,322) |

3. 分部資料

本集團按業務線(產品和服務)劃分分類管理其業務。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,呈列彩票業務為報告分部。

分部業績

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

For the six months ended 30 June 2018

**未經審核簡明
中期財務報表附註** (續)

截至二零一八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 |
| | | 2018 | 2017 |
| | | 於二零一八年 | 於二零一七年 |
| | | 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 | 5,738,739 | 5,948,762 |
| Assets of the disposal groups 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) | 289,133 | 219,564 |
| Unallocated assets | 未分類資產 | 354,139 | 169,099 |
| Total assets | 資產總值 | <u>6,382,011</u> | <u>6,337,425</u> |
| Liabilities | 負債 | | |
| Segment liabilities | 分部負債 | 196,554 | 172,199 |
| Liabilities directly associated with the assets of the disposal groups 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) | 120,743 | 120,758 |
| Unallocated liabilities | 未分類負債 | 1,130,701 | 1,102,384 |
| Total liabilities | 負債總額 | <u>1,447,998</u> | <u>1,395,341</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 | |
|--|---------------|--|-------------|
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | (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 | 111,599 | 241,774 |

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5. (LOSS)/PROFIT BEFORE TAXATION

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

| | | | |
|---|--------------------|--------|--------|
| Depreciation and amortization on: | 以下項目之折舊及攤銷： | | |
| – property, plant and equipment | – 物業、廠房及設備 | 4,832 | 6,261 |
| – prepaid lease payments on land use rights | – 土地使用權之預付租約付款 | 6 | 79 |
| – intangible assets | – 無形資產 | – | 1,515 |
| 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 | 12,061 | 11,281 |

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 2018 (2017: 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：

| Six months ended 30 June 截至六月三十日止六個月 | |
|---|---|
| 2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 | 2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元 |
| 4,832 | 6,261 |
| 6 | 79 |
| – | 1,515 |
| 12,061 | 11,281 |

6. 稅項

由於本集團於截至二零一八年六月三十日止六個月並無任何估計應課稅溢利，故並無計提香港利得稅撥備(二零一七年：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 | |
|---|--|
| 2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 | 2017 二零一七年 (Unaudited) (未經審核) (Restated) (經重列) HK\$'000 千港元 |
| Current tax: | 當期稅項： |
| PRC income tax on disposal of subsidiaries (Note 19) | 出售附屬公司之中國所得稅(附註19) |
| Under/(over) provision PRC income tax | 中國所得稅撥備不足/(超額撥備) |
| Deferred tax | 遞延稅項 |
| Taxation charge | 稅項支出 |
| – | 215,200 |
| 6,568 | (3,397) |
| – | 478 |
| 6,568 | 212,281 |

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7. DIVIDEND

The Board does not recommend the payment of dividend in respect of the six months ended 30 June 2018 (2017: Nil).

8. LOSS PER SHARE

The calculation of basic and diluted loss per share for the six months ended 30 June 2018 are based on the loss attributable to equity shareholders of the Company of approximately HK\$140,492,000 (2017 restated: approximately HK\$141,704,000).

(a) The basic loss per share is based on the weighted average number of approximately 12,936,960,142 (2017 adjusted: approximately 10,156,246,871) ordinary shares in issue during the six months ended 30 June 2018.

(b) The calculation of diluted loss per share is based on the Group's loss 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 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.

The diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the convertible bonds and the Company's share options, since their conversion and exercise would result in an anti-dilutive effect on loss per share during the periods ended 30 June 2018 and 2017.

The basic and diluted loss per share for current and prior reporting periods have been adjusted as a result of rights issue completed on 20 March 2018.

7. 股息

董事會不建議派付截至二零一八年六月三十日止六個月之股息(二零一七年:無)。

8. 每股虧損

截至二零一八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140,492,000港元(二零一七年(經重列):約141,704,000港元)計算。

(a) 每股基本虧損乃按截至二零一八年六月三十日止六個月之已發行普通股之加權平均數約12,936,960,142股(二零一七年(經調整):約10,156,246,871股)計算。

(b) 每股攤薄虧損乃按本公司權益股東應佔本集團虧損計算,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。

於截至二零一八年及二零一七年六月三十日止期間,由於轉換可換股債券及行使本公司之購股權對每股虧損有反攤薄影響,故計算每股攤薄虧損時並無假設可換股債券及本公司之購股權獲行使,因此每股攤薄虧損與每股基本虧損相同。

由於供股已於二零一八年三月二十日完成,故本報告期及過往報告期之每股基本及攤薄虧損已經調整。

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截至二零一八年六月三十日止六個月

9. TRADE RECEIVABLES

9. 應收貿易賬款

| | | At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|--------------------------------------|-------------|--|---|
| Trade receivables – Lottery business | 應收貿易賬款—彩票業務 | 336,978 | 388,791 |

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

本集團一般授予貿易客戶90天至270天之信貸期。

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

本集團應收貿易賬款—彩票業務基於發票日期按賬齡劃分之賬齡分析如下：

| | | At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 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 | 79,512 | 99,310 |
| One year or less but over three months | 一年或以下但三個月以上 | 112,801 | 132,336 |
| Over one year | 一年以上 | 144,665 | 157,145 |
| | | 336,978 | 388,791 |

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截至二零一八年六月三十日止六個月

10. CASH AND BANK BALANCES

| | | At 30 June 2018 | At 31 December 2017 |
|---------------------|--------|--|---|
| | | 於二零一八年 六月三十日 (Unaudited) (未經審核) | 於二零一七年 十二月三十一日 (Audited) (經審核) |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Fixed bank deposits | 定期銀行存款 | <u>1,296,603</u> | 493,839 |
| Cash at banks | 銀行現金 | <u>457,393</u> | 1,346,836 |
| Cash in hand | 手頭現金 | <u>392</u> | 544 |
| | | <u>457,785</u> | 1,347,380 |
| | | <u>1,754,388</u> | <u>1,841,219</u> |

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

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

| | | At 30 June 2018 | At 31 December 2017 |
|------------|-----|--|---|
| | | 於二零一八年 六月三十日 (Unaudited) (未經審核) | 於二零一七年 十二月三十一日 (Audited) (經審核) |
| | | '000 | '000 |
| | | 千元 | 千元 |
| US dollars | 美元 | <u>29,599</u> | 29,533 |
| Renminbi | 人民幣 | <u>572,994</u> | <u>830,896</u> |

10. 現金及銀行結餘

定期銀行存款指於收購時在三個月以上及一年內到期之定期銀行存款。

現金及銀行結餘包括下列以本公司功能貨幣港元以外貨幣列值之款額：

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11. CONVERTIBLE BONDS

The movement of the liability components of the convertible bonds originally due 2016 and extended to 2017 (the “2017 Bonds”) and the convertible bonds due 2019 (the “2019 Bonds”) (collectively, the “Bonds”) for the period are set out below:

| | | 2019 Bonds 二零一九年 債券 HK\$'000 千港元 | 2017 Bonds 二零一七年 債券 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|---|-----------------------|---|---|---------------------------------------|
| Carrying amounts at 31 December 2017 | 於二零一七年十二月三十一日之 賬面值 | 551,402 | 100,907 | 652,309 |
| Interest expense | 利息開支 | 15,164 | 3,532 | 18,696 |
| Interest payable | 應付利息 | (15,164) | (3,532) | (18,696) |
| Carrying amounts at 30 June 2018 | 於二零一八年六月三十日之 賬面值 | <u>551,402</u> | <u>100,907</u> | <u>652,309</u> |

At the end of the reporting period, the Bonds with principal amount of approximately HK\$652,309,000 remain outstanding.

Further details of the Bonds are disclosed in the section headed “The 2017 and 2019 Convertible Bonds” in this report.

11. 可換股債券

原於二零一六年到期而延長至二零一七年期之可換股債券(「二零一七年債券」)及於二零一九年到期之可換股債券(「二零一九年債券」)(統稱「該等債券」)負債部分之期內變動載列如下:

| | | 2019 Bonds 二零一九年 債券 HK\$'000 千港元 | 2017 Bonds 二零一七年 債券 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|---|-----------------------|---|---|---------------------------------------|
| Carrying amounts at 31 December 2017 | 於二零一七年十二月三十一日之 賬面值 | 551,402 | 100,907 | 652,309 |
| Interest expense | 利息開支 | 15,164 | 3,532 | 18,696 |
| Interest payable | 應付利息 | (15,164) | (3,532) | (18,696) |
| Carrying amounts at 30 June 2018 | 於二零一八年六月三十日之 賬面值 | <u>551,402</u> | <u>100,907</u> | <u>652,309</u> |

於報告期末，本金額約652,309,000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「二零一七年及二零一九年可換股債券」一節內披露。

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12. TRADE PAYABLES

| | | At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 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 | - | 5 |
| Trade payables – Lottery business | 應付貿易賬款—彩票業務 | <u>9,073</u> | <u>8,233</u> |
| | | <u>9,073</u> | <u>8,238</u> |

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

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

The Directors consider that the carrying amount of trade payables approximates to their fair values.

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

| | | At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 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 | <u>7,639</u> | 5,883 |
| Over three months | 三個月以上 | <u>1,434</u> | <u>2,350</u> |
| | | <u>9,073</u> | <u>8,233</u> |

12. 應付貿易賬款

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。

應付貿易賬款預期於一年內支付或須按要要求償還。

董事認為，應付貿易賬款之賬面值與公允值相若。

本集團應付貿易賬款—彩票業務基於發票日期按賬齡劃分之賬齡分析如下：

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13. BANK BORROWING

13. 銀行借貸

| | At 30 June 2018 | At 31 December 2017 |
|-----------------------------------|---|---|
| | 於二零一八年 六月三十日 (Unaudited) (未經審核) | 於二零一七年 十二月三十一日 (Audited) (經審核) |
| | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 |
| Bank loan | | |
| – secured and due within one year | – | 5,362 |
| | <u>–</u> | <u>5,362</u> |

The bank loan is repayable within one year or when the facility is withdrawn. The borrowing is used to finance the lottery business of the Group.

As at 31 December 2017, the bank loan of approximately HK\$5,362,000 is secured by the trade receivables of a subsidiary of approximately HK\$19,351,000 and guaranteed by a subsidiary of the Group.

The effective interest rate on the Group's borrowing is equal to contractual interest rate.

銀行貸款須於一年內或信貸撤回時償還。該項借貸用作本集團彩票業務之所需資金。

於二零一七年十二月三十一日，約5,362,000港元之銀行貸款以一間附屬公司約19,351,000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。

本集團借貸之實際利率相等於合約利率。

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14. SHARE CAPITAL

14. 股本

| | | Number of Shares 股份數目 '000 千股 | Amount 金額 HK\$'000 千港元 |
|--|--------------------------------------|---|---------------------------------|
| Ordinary shares of HK\$0.01 each of the Company (the "Shares"): | 本公司每股面值0.01港元之 普通股(「股份」): | | |
| <i>Authorized:</i> | <i>法定:</i> | | |
| At 31 December 2017 and 30 June 2018 | 於二零一七年十二月三十一日 及二零一八年六月三十日 | <u>20,000,000</u> | <u>200,000</u> |
| <i>Issued and fully paid:</i> | <i>已發行及繳足:</i> | | |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 10,028,496 | 100,285 |
| Issue of rights shares (Note) | 發行供股股份(附註) | <u>5,014,247</u> | <u>50,142</u> |
| At 30 June 2018 | 於二零一八年六月三十日 | <u>15,042,743</u> | <u>150,427</u> |

Note:

On 20 March 2018, the Company completed the issue of 5,014,247,669 rights shares to the qualifying shareholders, on the basis of one rights share (the "Rights Share") for every two existing Shares held on the record date at the subscription price of HK\$0.051 per Rights Share (the "Rights Issue"). The net proceeds from Rights Issue raised by the Company was approximately HK\$248,856,000.

As a result of the Rights Issue, the Company's issued Shares increased to 15,042,743,007 Shares accordingly.

All new Shares issued during the period rank pari passu in all respects with the existing Shares.

附註:

於二零一八年三月二十日，本公司完成按於記錄日期每持有2股現有股份獲發1股供股股份(「供股股份」)之基準向合資格股東發行5,014,247,669股供股股份，認購價為每股供股股份0.051港元(「供股」)。本公司從供股籌得之所得款項淨額約為248,856,000港元。

由於進行供股，本公司之已發行股份增加至15,042,743,007股。

期內發行之所有新股份在各方面均與現有股份享有同等地位。

15. COMMITMENTS

- (a) Capital commitments outstanding at 30 June 2018 not provided for in the consolidated financial statements are as follows:

15. 承擔

- (a) 於二零一八年六月三十日並未在綜合財務報表內撥備之未付資本承擔如下:

| | At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|--|---|
| Contracted for – increase in registered capital of subsidiaries | <u>84,592</u> | <u>84,597</u> |
| 已訂約 – 附屬公司之註冊資本增加 | | |

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15. COMMITMENTS (continued)

(b) As at 30 June 2018, the Group's future aggregate minimum lease payments under non-cancellable operating leases are payable as follows:

15. 承擔 (續)

(b) 於二零一八年六月三十日，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 2018 於二零一八年六月三十日 | | |
|--|--------------------|--|--|---|
| | | 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 | 5,435 | 8,896 | 14,331 |
| In the second to fifth year inclusive | 第二至第五年 (包括首尾兩年) | 5,314 | 35,583 | 40,897 |
| More than five years | 五年以上 | – | 30,764 | 30,764 |
| | | <u>10,749</u> | <u>75,243</u> | <u>85,992</u> |

| | | As at 31 December 2017 於二零一七年十二月三十一日 | | |
|--|--------------------|---|---|--|
| | | 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 | 12,447 | 9,017 | 21,464 |
| In the second to fifth year inclusive | 第二至第五年 (包括首尾兩年) | 18,278 | 35,916 | 54,194 |
| More than five years | 五年以上 | – | 35,515 | 35,515 |
| | | <u>30,725</u> | <u>80,448</u> | <u>111,173</u> |

The Group leases various office and factory premises, office equipment and warehouses under operating leases. The leases run for a period of 1 to 8 years (2017: 1 to 9 years). The leases do not include any contingent rentals.

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八年(二零一七年：一至九年)不等，並不包括任何或然租金。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

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未經審核簡明 中期財務報表附註(續)

截至二零一八年六月三十日止六個月

16. CONTINGENT LIABILITIES

(a) Contingent liabilities in respect of default under the Bonds

As at 30 June 2018 and 31 December 2017, the Company has not fulfilled its redemption obligation of 2017 Bonds in the principal amount of approximately HK\$100,907,000 and the redemption obligation of 2019 Bonds in the principal amount of approximately HK\$551,402,000. The amounts under the 2017 Bonds and 2019 Bonds have been outstanding since 28 April 2017 and are currently due to be repaid to the holders of the Bonds (the "Bondholders"). 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 fulfill repayment obligations under the outstanding Bonds.

As disclosed in the Company's announcements dated 19 November 2017, 6 December 2017, 29 January 2018, 19 March 2018, 21 March 2018, 9 May 2018, 11 May 2018, 7 June 2018 and 30 July 2018, the Company's prospectus dated 23 February 2018 and the Company's circular dated 25 April 2018, in relation to, among other things, the Rights Issue and the CB Subscription (as defined in the section headed "CB Subscription Agreement in relation to New CB" in this report) of the proposed fund raising plans, upon completion of the proposed fund raising plans, the Company expects it will fully repay the 2017 Bonds and 2019 Bonds. Accordingly, the directors of the Company do not consider it probable that a claim will be made against the Company.

(b) Financial guarantee issued

As at 31 December 2017, one of subsidiaries of the Group has issued a corporate guarantee to a bank for the bank loan granted to another subsidiary of the Group, the Directors did not consider it probable that a claim would be made against these subsidiaries under such guarantee. During the period ended 30 June 2018, the bank loan has been repaid.

16. 或然負債

(a) 有關該等債券違約之或然負債

於二零一八年六月三十日及二零一七年十二月三十一日，本公司未有履行本金額約100,907,000港元之二零一七年債券之贖回責任及本金額約551,402,000港元之二零一九年債券之贖回責任。二零一七年債券及二零一九年債券下之款項自二零一七年四月二十八日起一直尚未償還，目前已到期償還予該等債券之持有人（「債券持有人」）。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境外財務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。

誠如本公司日期為二零一七年十一月十九日、二零一七年十二月六日、二零一八年一月二十九日、二零一八年三月十九日、二零一八年三月二十一日、二零一八年五月九日、二零一八年五月十一日、二零一八年六月七日及二零一八年七月三十日之公布、日期為二零一八年二月二十三日之供股章程以及日期為二零一八年四月二十五日之通函（內容有關（其中包括）建議集資計劃中之供股及可換股債券認購事項（定義見本報告「有關新可換股債券之可換股債券認購協議」一節））所披露，於建議集資計劃完成後，本公司預期將悉數償還二零一七年債券及二零一九年債券。因此，本公司董事認為向本公司提出申索之機會不大。

(b) 已發出之財務擔保

於二零一七年十二月三十一日，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，董事認為根據該等擔保向該等附屬公司提出申索之機會不大。於截至二零一八年六月三十日止期間，銀行貸款已經償還。

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截至二零一八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 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|----------------------|--|---|
| The Shareholder: | 該股東： | | |
| Balance due from the Group (Note) | 應收本集團結餘 (附註) | 415,757 | 412,777 |
| Convertible bonds | 可換股債券 | 87,064 | 87,064 |
| Companies connected with a Director: | 與一名董事有關連之公司： | | |
| Balance due from the Group | 應收本集團結餘 | 16,113 | 13,475 |
| Balance due to the Group | 應付本集團結餘 | <u>350,000</u> | <u>350,000</u> |
| | | Six months ended 30 June 截至六月三十日止六個月 | |
| | | 2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元 | 2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Transactions with the Shareholder: | 與該股東進行之交易： | | |
| Convertible bonds interest paid | 已付可換股債券利息 | 2,394 | 3,861 |
| Interest on a shareholder loan | 股東貸款利息 | 2,981 | 1,532 |
| Redemption of convertible bonds | 贖回可換股債券 | - | 133,583 |
| Consent fee paid for delaying redemption of convertible bonds | 就延遲贖回可換股債券 已付之同意費 | - | 131 |
| | | <u>-</u> | <u>131</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 | 3,582 | 4,572 |
| Pension scheme contributions | 退休金計劃供款 | 9 | 9 |
| | | <u>3,591</u> | <u>4,581</u> |

Note:

The balance due to Kingly Profits Corporation (the "Shareholder") is unsecured and currently due to be repaid. On 17 November 2017, a Director provided an undertaking to the Company that the shareholder's loan would not need to be repaid until after the completion of the CB Subscription (or the termination of the CB Subscription pursuant to the terms of the CB Subscription Agreement (as defined in the section headed "CB Subscription Agreement in relation to New CB" in this report)). As at 30 June 2018 and 31 December 2017, except for the balance of approximately HK\$133,583,000 bearing interest at 4.5% per annum, all remaining balances are interest free.

附註：

應付 Kingly Profits Corporation (「該股東」) 結餘為無抵押，現已到期償還。於二零一七年十一月十七日，一名董事向本公司作出承諾，股東貸款於可換股債券認購事項完成 (或可換股債券認購事項根據可換股債券認購協議 (定義見本報告「有關新可換股債券之可換股債券認購協議」一節) 的條款終止) 前將毋須償還。於二零一八年六月三十日及二零一七年十二月三十一日，除約133,583,000港元之結餘按年利率4.5厘計息外，餘下結餘全部為免息。

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截至二零一八年六月三十日止六個月

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

- (a) On 28 December 2017, a wholly-owned subsidiary of the Company, Huge Top Enterprises Inc. entered into a memorandum of understanding with an independent third party (the “Buyer”), for the disposal of entire equity interests in Pentium Win Limited, Jertford Development Limited, Global Essence Technology Limited, Joson Limited, Luxjoy Overseas Limited, Hilson Gold Limited, 深圳市天脈信息諮詢有限公司, 深圳卓訊隆科技有限公司 and 深圳市金帆軟件技術有限公司 (Shenzhen Kingsail Software Tech Co., Ltd.*) (hereinafter collectively referred to the “Kingsail Group”) for a cash consideration to be further negotiated with the Buyer.
- (b) On 29 July 2018, the Company entered into a non-legally binding letter of intent with, among others, an independent third party in relation to the potential disposal (the “Potential Disposal”) of the operating entity in the scratch card business in China (the “Disposal Target”). As at the date hereof, the Disposal Target is wholly-owned by a company which is indirectly owned by a member of the Group and another party in equal shares. The Potential Disposal will be for an aggregate consideration of RMB105 million, subject to definitive agreement.

The results of the disposal groups (the Kingsail Group and the Disposal Target) 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**

- (a) 於二零一七年十二月二十八日，本公司之全資附屬公司Huge Top Enterprises Inc.與一名獨立第三方（「買家」）訂立一份諒解備忘錄，以出售於Pentium Win Limited、Jertford Development Limited、朗逸科技有限公司、緯迅有限公司、Luxjoy Overseas Limited、Hilson Gold Limited、深圳市天脈信息諮詢有限公司、深圳卓訊隆科技有限公司及深圳市金帆軟件技術有限公司（以下統稱「金帆集團」）之全部股權，現金代價將與買家進一步磋商。
- (b) 於二零一八年七月二十九日，本公司與（其中包括）一名獨立第三方訂立不具法律約束力之意向書，內容有關可能出售中國即開票業務之經營實體（「出售目標」）（「可能出售事項」）。於本報告日期，出售目標由本集團一間成員公司與另一方各間接擁有50%權益之公司全資擁有。可能出售事項之總代價將為人民幣105,000,000元，待訂立最終協議後方可作實。

計入綜合收益表之分類為持作出售之出售組別（金帆集團及出售目標）之業績列示如下：

| | | Six months ended 30 June | |
|---|------------------------|---------------------------------|--------------------|
| | | 截至六月三十日止六個月 | |
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Profit/(loss) for the period from the disposal groups: | 出售組別之期間溢利／（虧損）： | | |
| Revenue | 收入 | - | - |
| Other income and other gains, net | 其他收入及其他收益淨額 | 3,801 | 497 |
| Administrative expenses | 行政費用 | (316) | (245) |
| Operating profit | 經營溢利 | 3,485 | 252 |
| Finance costs | 財務費用 | - | - |
| Share of loss of a joint venture | 分佔一間合營企業虧損 | (1,014) | (4,005) |
| Profit/(loss) before taxation | 除稅前溢利／（虧損） | 2,471 | (3,753) |
| Taxation | 稅項 | - | (321) |
| Profit/(loss) for the period | 期間溢利／（虧損） | 2,471 | (4,074) |

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截至二零一八年六月三十日止六個月

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

The major classes of assets and liabilities of the disposal groups classified as held for sale as at 30 June 2018 are as follows:

| | | At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | At 31 December 2017 於二零一七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|--|---------------------------------|--|---|
| Assets | 資產 | | |
| Interests in a joint venture | 於一間合營企業之權益 | 78,981 | - |
| Amount due from related parties | 應收關聯方款項 | 1,138 | 1,147 |
| Prepayments and other receivables | 預繳款項及其他應收款項 | 208,814 | 218,217 |
| Cash and bank balances | 現金及銀行結餘 | 200 | 200 |
| Assets of the disposal groups classified as held for sale | 分類為持作出售之 出售組別之資產 | <u>289,133</u> | <u>219,564</u> |
| Liabilities | 負債 | | |
| Other payables and accruals | 其他應付款項及應計款項 | (1,743) | (1,758) |
| Deferred tax liabilities | 遞延稅項負債 | (119,000) | (119,000) |
| Liabilities directly associated with the assets of the disposal groups classified as held for sale | 與分類為持作出售之 出售組別之資產 直接相關之負債 | <u>(120,743)</u> | <u>(120,758)</u> |
| Net assets of the disposal groups classified as held for sale | 分類為持作出售之 出售組別之淨資產 | <u>168,390</u> | <u>98,806</u> |

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 (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"). The Disposal was completed in February 2017.

**18. 分類為持作出售之出售組別之資產
／負債** (續)

於二零一八年六月三十日分類為持作出售之出售組別之資產及負債主要類別如下：

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（一名身兼主要股東之本公司董事擁有其實益權益）訂立買賣協議，以出售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」）。出售事項已於二零一七年二月完成。

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截至二零一八年六月三十日止六個月

19. DISPOSAL OF SUBSIDIARIES (continued)

The net assets disposed of at the date of completion were as follows:

19. 出售附屬公司 (續)

於完成日期之已出售淨資產如下：

| | | (Restated) (經重列) 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 | 1,026,795 |
| Intangible assets | 無形資產 | 21,158 |
| Deposit 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 | 153,754 |
| 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 | 521,870 |
| Current tax refundable | 可退還當期稅項 | 172 |
| Cash and bank balances | 現金及銀行結餘 | 48,039 |
| Amount due to the Group | 應付本集團款項 | (1,664,588) |
| 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 | (124,095) |
| Bank borrowings | 銀行借貸 | (137,573) |
| Current tax liabilities | 當期稅項負債 | (9,876) |
| Deferred tax assets | 遞延稅項資產 | 4,911 |
| Net assets disposed of | 已出售淨資產 | <u>273,422</u> |
| (Loss)/gain on disposal of subsidiaries: | 出售附屬公司之(虧損)/收益： | |
| Consideration received and receivables | 已收及應收代價 | 2,150,000 |
| Net assets disposed of | 已出售淨資產 | (273,422) |
| Assignment of the amount due to the Group | 出讓應付本集團款項 | (1,664,588) |
| Non-controlling interests | 非控股權益 | 3,759 |
| Expenses in connection with the disposal | 與出售事項有關之開支 | (9,354) |
| Cumulative exchange difference in respect of the net assets reclassified from exchange translation reserve to profit or loss upon disposal | 有關於出售時由匯兌儲備重新分類至損益之淨資產累計匯兌差額 | <u>(41,105)</u> |
| Gain on disposal of subsidiaries before taxation | 出售附屬公司之除稅前收益 | 165,290 |
| PRC income tax paid for disposal | 就出售事項支付之中國所得稅 | <u>(215,200)</u> |
| Loss on disposal of subsidiaries after taxation | 出售附屬公司之除稅後虧損 | <u><u>(49,910)</u></u> |

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

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未經審核簡明 中期財務報表附註(續)

截至二零一八年六月三十日止六個月

19. DISPOSAL OF SUBSIDIARIES (continued)

| | | HK\$'000 千港元 |
|--|----------------|------------------|
| Satisfied by: | 支付方式: | |
| Cash consideration received | 已收現金代價 | 1,800,000 |
| Cash consideration receivable | 應收現金代價 | 350,000 |
| | | <u>2,150,000</u> |
| Net cash inflow on disposal of subsidiaries: | 出售附屬公司之現金流入淨額: | |
| Total cash consideration received | 已收現金代價總額 | 1,800,000 |
| Cash and cash equivalents disposed of | 已出售現金及現金等價物 | (48,039) |
| | | <u>1,751,961</u> |

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\$229,000 to the Group's loss for the period ended 30 June 2017.

PRC income tax of HK\$215,200,000 is calculated based on a tax rate of 10% on the excess of consideration over the capital in the disposed subsidiary which is established in the PRC.

20. COMPARATIVE FIGURES

Certain comparative figures have been restated and reclassified in the preparation of these interim condensed consolidated financial statements and to conform to the current period's presentation.

19. 出售附屬公司(續)

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229,000港元。

中國所得稅215,200,000港元乃根據代價超出於中國成立之已出售附屬公司之資本之差額按稅率10%計算。

20. 比較數字

為符合本期間之呈列方式，編製本中期簡明綜合財務報表時若干比較數字已予重列及重新分類。

* The English translation of Chinese names or words are for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

* 中文名稱或詞彙之英文翻譯僅供參考，不應視為該等中文名稱或詞彙之正式英文譯名。

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 2018, total Group's revenue was approximately HK\$111,599,000, decreased by 54% over the same period last year (2017: approximately HK\$241,774,000). The unaudited loss attributable to equity shareholders of the Company was approximately HK\$140,492,000 (2017 restated: approximately HK\$141,704,000).

During the period under review, overall lottery market in China experienced healthy growth. However, the Group's lottery business continued to be impacted by the tough operating conditions persisting in the industry, namely the intensifying competition among industry players, continuous decline in scratch cards market and the slow development of paperless lottery distribution platforms. The disposal of the Group's subsidiaries operating in the traditional Welfare Computer Ticket Games ("CTG") market was completed in the first half of 2017, resulting in a decline of revenue for SGDB as compared with the same period in 2017. In order to strengthen the Group's competitiveness in various products and services offering, the Group stepped up its investment in research and development and marketing, which inevitably put pressure on the operating profit. Intense competition between participants in the lottery market also negatively impacted the Group's SGDB operations. Meanwhile, DMB continued to face the challenges of the weakening consumer demand for scratch card products and increase of various operating costs.

Despite the challenging operating environment, the Group has made solid progress to evolve and strategically restructure its business in underperforming segments in the market and taking steps to streamline the operating structure of various business units amid intensified market competition in the industry. The Company remains focused on measures to further increase operating efficiency, streamline its operations to reduce costs, strengthen the Group's balance sheet and get prepared to position itself for igniting the next phase of growth and profitability.

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%。

截至二零一八年六月三十日止首六個月，本集團的總收入約為111,599,000港元，較去年同期減少54%（二零一七年：約241,774,000港元）。本公司權益股東應佔未經審核虧損約為140,492,000港元（二零一七年（經重列）：約141,704,000港元）。

於回顧期內，中國彩票市場整體穩步發展。然而，本集團的彩票業務繼續受業內嚴峻的經營環境影響，例如業界競爭日趨激烈、即開票市場持續萎縮及無紙化彩票配送平台發展停滯不前。本集團於二零一七年上半年完成出售旗下於傳統福彩電腦票市場中經營的附屬公司，令系統及遊戲開發業務收入較二零一七年同期有所減少。為提升旗下各種產品及服務的競爭力，本集團加大研究及開發及營銷投資，無可避免對經營溢利造成壓力。彩票市場參與者之間競爭激烈亦打擊本集團系統及遊戲開發業務的營運。與此同時，配送及市場業務則繼續面對即開票產品的消費需求疲弱及各項經營成本上升的挑戰。

儘管經營環境充滿挑戰，業內市場競爭加劇，惟本集團在市場上表現欠佳分部中的業務改革及策略性重組進度良好，正着手精簡各業務單位的經營架構。本公司繼續專注於各項措施，藉以進一步提升經營效率，精簡業務節省成本，加強本集團的資產負債表，為激發下一波增長及盈利作好準備。

During the period under review, the Company completed the Rights Issue in March 2018 which is part of the proposed fund raising plans that was announced last year. The remaining part of the proposed fund raising plans is the CB Subscription (see section on “CB Subscription Agreement in relation to New CB”). Upon completion of the proposed fund raising plans, the Company intends to firstly repay the Bonds, and then repay the other liabilities and shareholders’s loan. The Company believes that after the repayment of the existing offshore liabilities, the Company will be able to strengthen its capital structure and resume its sound financial position, and will be poised to focus on growing its business.

China Lottery Market

Chinese lottery market registered total lottery sales of RMB245.2 billion in the first six months of 2018, representing a growth of 20% over the same period of 2017.

During the period under review, total sales of Welfare Lottery was RMB110.6 billion. Welfare CTG sales increased 7% to RMB81.4 billion, accounting for 74% of the total Welfare Lottery sales. Welfare Scratch Card sales decreased 11% to RMB5.8 billion and Video Lottery Terminals (“VLT”) sales grew by 1% to RMB23.4 billion. Sales of Keno was RMB62.3 million, down by 33%. Welfare Scratch Cards and VLT accounted for 5% and 21% of the total Welfare Lottery sales respectively.

In the first half of 2018, total sales of Sports Lottery was RMB134.6 billion. Sales of Sports CTG, including Single Match Games (“SMG”), increased by 39% to RMB128.9 billion accounting for 96% of total Sports Lottery sales. Sports Scratch Cards sales was RMB5.7 billion, dropped 10% over last year, accounted for 4% of the total Sports Lottery sales. Total sales of Sports VLT increased 8% to RMB5.5 million in the first six months of 2018.

System and Games Development Business

The Group’s SGDB is an active participant in the provision of lottery system and specialized equipment 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 specialized equipment for the both Welfare and Sports lottery markets.

於回顧期內，本公司於二零一八年三月完成供股，此乃去年公布的建議集資計劃的其中一部分。建議集資計劃的其餘部分為可換股債券認購事項（見「有關新可換股債券之可換股債券認購協議」一節）。於建議集資計劃完成時，本公司擬首先償還該等債券，然後償還其他負債及股東貸款。本公司相信，於償還現有國外負債後，本公司將可增強其資本架構，恢復穩健的財務狀況，從而得以集中精力專注於其業務發展。

中國彩票市場

中國彩票市場於二零一八年首六個月錄得彩票總銷售額人民幣2,452億元，較二零一七年同期上升20%。

於回顧期內，福利彩票的總銷售額為人民幣1,106億元。福彩電腦票的銷售額增加7%至人民幣814億元，佔福利彩票總銷售額的74%。福彩即開票的銷售額減少11%至人民幣58億元，而中福在線的銷售額則增加1%至人民幣234億元。基諾的銷售額為人民幣6,230萬元，減少33%。福彩即開票及中福在線分別佔福利彩票總銷售額的5%及21%。

於二零一八年上半年，體育彩票的總銷售額為人民幣1,346億元。體彩電腦票（包括單場競猜遊戲（「競彩」））的銷售額增加39%至人民幣1,289億元，佔體育彩票總銷售額的96%。體彩即開票的銷售額為人民幣57億元，較去年下跌10%，佔體育彩票總銷售額的4%。體育視頻彩票終端於二零一八年首六個月的總銷售額增加8%至人民幣550萬元。

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

In the first half of 2018, Welfare CTG in China maintained a healthy growth of 7% with total sales increased by approximately RMB5.0 billion over the same period of 2017. Despite stable and positive outlook in this market segment, the Group remains mindful of the potential revenue volatility driven by the fierce competition in the Welfare CTG market. Since the Group completed the restructuring of its Welfare CTG business last year, the Group has focused on delivering lottery products and services for the non-traditional Welfare CTG market, a transformation aimed to align with the ongoing market trend by devoting attention to a more favorable market of regional and high frequency games.

During the period under review, performance of the Group's Welfare CTG business was affected by marked competition between other well established players. Also, given the disposal of the Group's subsidiaries operating in the traditional Welfare CTG market was completed in the first half of 2017, the scale of operations and revenue of this business unit was reduced compared with the same period in 2017.

Market competition in the non-traditional Welfare CTG market has intensified, resulting from the robust growth prospects of this segment. Although other well established players enjoy competitive advantage in contract extension and bidding of new contacts, the Group has been working diligently in upgrading its system design and improving its products and services provided in order to bolster the confidence of regional customers in the Group's service solution and differentiate itself from the competitors. The ongoing competition in the market amid stringent contractual requirements formulated by regional lottery centers will present a challenging condition for the Group during this transitory period.

Welfare Scratch Cards Business

Sales of Welfare Scratch Cards decreased 11% during the six month ended 30 June 2018 compared with the corresponding period in 2017, recording a decline for four consecutive years. Given the lackluster market context of scratch card products persisted during the period under review, performance of the Group's Welfare Scratch Cards business was inevitably impacted by such challenging market situation.

福彩電腦票業務

於二零一八年上半年，中國福彩電腦票維持7%的健康增長，總銷售額較二零一七年同期增加約人民幣50億元。儘管此市場分部的前景正面穩定，本集團會密切留意福彩電腦票市場的激烈競爭對收入所產生的潛在波動。自本集團於去年完成重組福彩電腦票業務以來，本集團專注於為非傳統福彩電腦票市場提供彩票產品及服務，藉轉型緊貼現行市場趨勢，聚焦更為景氣的地區性及高頻遊戲市場。

於回顧期內，本集團的福彩電腦票業務表現受到來自其他獲高度認可市場參與者的顯著競爭所影響。另外，由於在二零一七年上半年完成出售本集團經營傳統福彩電腦票市場的附屬公司，此業務單位的業務規模及收入較二零一七年同期有所削減。

非傳統福彩電腦票市場增長前景強勁，導致競爭日熾。雖然其他獲高度認可的市場參與者於續約及競投新合約具有競爭優勢，惟本集團努力提升系統設計，改善產品及服務，務求加深各地區性客戶對本集團服務方案的信心，在一眾競爭對手中脫穎而出。面對各地區彩票中心制訂嚴格的合約規定，加上市場競爭不斷，本集團於此過渡期內將面對重重挑戰。

福彩即開票業務

於截至二零一八年六月三十日止六個月，福彩即開票的銷售額較二零一七年同期下跌11%，連續四年下跌。鑑於即開票產品於回顧期內的市場表現持續疲弱，本集團的福彩即開票業務表現無可避免受不景氣的市場氣氛影響。

Given the unfavourable operating environment of scratch card business, the Company announced its plan to dispose one of the Group's scratch cards businesses in May 2018. Subsequently, the Company entered into a non-legally binding letter of intent with, among others, an intended purchaser in relation to this potential disposal after the reporting period. The Company believes that the potential disposal, if consummated, would not have any significant impact on overall business operations of the Group and should be able to improve the financial position of the Group. The Group's SGDB will continue to operate in scratch card printing operations through its cooperative venture with Shijiazhuang Offset Printing House.

Sports CTG Business

The Group's Sports CTG business is engaged in the manufacturing and sales of CTG/SMG 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 participated in the procurement bidding of CTG/SMG terminals, however, revenue related to the sales of terminals decreased substantially amid rising competition and reduced market demand.

Meanwhile, the Group has continued to restructure the business unit by streamlining the operating structure through the disposal of Kingsail Group, as announced earlier in March 2018, with the aim to improve overall operating efficiency and cost control of the Group.

Distribution and Marketing Business

The Group's DMB is a major participant in lottery distribution in China and its downstream lottery operations pledged to provide reliable, efficient and innovative lottery services to address the needs of end consumers in lottery market and assist lottery authorities to promote and develop the Chinese Lottery market in sustainable manner.

During the period under review, the operating environment has remained challenging due to the continual deterioration of demand for scratch cards in market and lack of affirmative measures or action policies to push forward the development of paperless lottery distribution platforms. Nevertheless, the exceptional sales performance achieved by Sports Lottery in relation to the FIFA World Cup suggests that the official implementation of paperless lottery distribution platforms is worth waiting for. The Company is well prepared for this and has reserved sufficient resources to capitalize on development in this area.

基於即開票業務的營商環境未如理想，本公司於二零一八年五月宣布出售本集團其中一項即開票業務的計劃。其後，本公司與（其中包括）一名有意買家於報告期後就是項可能出售訂立不具法律約束力的意向書。本公司相信，可能出售事項如若完成，不會對本集團的整體業務營運造成任何重大影響，應可改善本集團的財務狀況。本集團之系統及遊戲開發業務將繼續透過與石家莊市膠印廠成立的合作企業經營即開票印刷業務。

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票／競彩終端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，本集團參與電腦票／競彩終端的採購競標，然而，終端銷售的相關收入因競爭加劇及市場需求減少而顯著下跌。

同時，誠如較早前於二零一八年三月所公布，本集團繼續重組業務單位，透過出售金帆集團精簡營運架構，以加強整體經營效率及成本控制。

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，其下游彩票業務致力提供可靠、高效及創新的彩票服務，以滿足彩票市場最終消費者的需要，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，市場對即開票的需求持續惡化，加上缺乏推動無紙化彩票配送平台發展的有力措施或行動政策，經營環境仍然充滿挑戰。儘管如此，國際足協世界盃讓體育彩票創下卓越的銷售表現，足見無紙化彩票配送平台的正式施行仍然值得期待。為此，本公司準備就緒，保留充份資源把握相關範疇的發展。

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 consists of recognized sales distribution channels.

In the first half of 2018, the aggregate sales of Welfare Scratch Cards and Sports Scratch Cards in China was approximately RMB11.5 billion, decreased by 11% as compared with the same period in 2017. According to the sales figures released by the Ministry of Finance, total sales of scratch cards for the first six months of this year registered a decline for four consecutive years.

The promotion efforts taken by the Group and the industry to reinvigorate the scratch cards market were ineffective to alter the downward trend of consumer demand of this lottery product, in spite of a slowdown in pace of sales decline. A combination of prolonged lackluster scratch cards sales, gradual increase of marketing and other operating costs accumulating over recent years coupled with rising competition among market participants severely damaged the Group's profitability in this business segment. Revenue of scratch cards distribution business decreased significantly with profit margins further deteriorating during the period under review.

In view of the above impediments, the Group will closely monitor the market developments and work on countermeasures through out the remainder of the financial year with an aim to resolve the issues.

Single Match Games Business

The Group operates the SMG business through a physical retail network since paperless lottery distribution was suspended in early 2015.

During the period under review, sales of SMG in China achieved record-breaking weekly sales of RMB11.9 billion during the group phrase of the 2018 FIFA World Cup compared to the highest weekly sales of RMB3.3 billion recorded during the 2014 FIFA World Cup.

The Group's physical retail platform was not performing satisfactorily during the period under review due to intensified competition in SMG market. However, the Group remains positive on the long-term prospect in this business unit as it is expected that the paperless distribution platforms will be reopened in the long run and will further boost the growth of the market. The Group will continue to reserve and invest resources in paperless lottery platforms to capture the future growth opportunities offered by the potential omni-channel development – a rapid growth in online sales complemented by the changing dynamics of brick-and-mortar retailing and the convergence of both.

即開票配送業務

本集團的即開票配送業務透過包含認可銷售配送渠道的實體彩票配送網絡，專注從事即開票配送與銷售。

於二零一八年上半年，中國福彩即開票及體彩即開票的總銷售額約為人民幣115億元，較二零一七年同期減少11%。按照財政部發佈的銷售數字，本年首六個月的即開票總銷售額已連續四年錄得下跌。

縱然銷售額的下跌速度有所放緩，惟本集團及業內為振興即開票市場所作的努力，未能有效扭轉消費者對此彩票產品需求下跌的趨勢。即開票銷售額長期不景氣，營銷及其他經營成本於過去數年的累積加幅，以及市場參與者之間的競爭越趨激烈，均嚴重損害本集團此業務分部的盈利能力。於回顧期內，即開票配送業務的收入大幅下跌，利潤率進一步轉差。

鑑於上述不利因素，本集團將密切注視市場發展，努力於財政年度的餘下時間採取措施，冀能解決問題。

單場竞猜遊戲業務

本集團自無紙化彩票配送於二零一五年初暫停以來，一直以實體零售網絡經營競彩業務。

於回顧期內，中國競彩的銷售額於二零一八年國際足協世界盃的小組賽階段錄得破紀錄的週銷售額人民幣119億元，相比之下二零一四年國際足協世界盃期間錄得的最高週銷售額為人民幣33億元。

競彩市場競爭加劇，本集團實體零售平台於回顧期內表現未如理想。然而，本集團預期無紙化彩票配送平台長遠將會重開，並將進一步推動市場增長，因此依然看好此業務單位的長遠前景。本集團將繼續保留及投入資源於無紙化彩票平台，把握潛在全渠道發展所帶來的未來增長機遇，由實體零售格局變化和線上線下融合所帶動的線上銷售快速增長。

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 was designed to improve the convenience of lottery purchase by connecting players directly to the centralized system of provincial lottery centre, enabling a safe and reliable lottery purchase experience.

During the period under review, the mobile lottery business has come to a complete halt due to the regulatory uncertainty. The Group remains cautiously optimistic about the future of this business.

At the same time, resources have been reserved in this area and the Group will continue to monitor market development closely and review its business strategy during this transitory period.

Sports Video Lottery

The Group has been running Sports VLT operations in support of Hainan province’s local tourism development since 2015. Sales of Sports VLT registered healthy growth during the period under review. The Group will continue to play its part in fostering the development of this lottery product and contributing to the local lottery market.

Outlook

The lottery industry is operating in the difficult environment. Market participants are waiting for the modernization of lottery distribution methods. They have also been searching for methods to revive market interest in the less compelling products. It is anticipated that the tough business condition will continue to affect the Group’s ability to improve profitability.

The Group has been taking essential steps to enhance business competitiveness and strengthen financial position through business restructuring despite the tough business condition. The restructuring of Welfare CTG business has been completed last year and other efforts to restructure underperforming business units are underway to increase overall operating efficiency by streamlining operations and reduce costs. The Company has been laying the ground work to position itself for the next phase of growth and development.

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。手機電子彩票平台的設計旨在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。

於回顧期內，手機彩票業務因監管不確定性而停頓。本集團對該業務的前景仍然審慎樂觀。

與此同時，本集團已預留資源供此業務運用，並將繼續於此過渡期內密切留意市場發展並審視其業務策略。

體育視頻彩票

本集團自二零一五年起經營體育視頻彩票終端，以支持海南省的地方旅遊業發展。於回顧期內，體育視頻彩票終端的銷售額穩步增長。本集團將繼續參與發展此彩票產品，為當地彩票市場作出貢獻。

展望

彩票行業經營環境荊棘滿途。市場參與者期待彩票配送方法出現現代化轉變，同時為振興欠缺吸引力的產品費煞思量。預期艱難的營商條件將會持續影響本集團改善盈利的能力。

面對艱難的營商條件，本集團已採取必要措施，藉業務重組提升業務競爭力及加強財務狀況。本公司已於去年完成重組福彩電腦票業務，並為重組表現欠佳的業務單位作出努力，以期透過精簡業務及節省成本，提高整體經營效率。本公司一直努力重整旗鼓，為激發下一波增長及盈利能力作好準備。

Looking forward, the performance of the Group's SGDB will be dependent on the Group's ability to differentiate itself from competitors in the face of continued fierce competition in the lottery market. The Group's DMB is expected to be hampered by the continual deterioration of scratch card demand and slow development of paperless lottery distribution platforms in the near term. In accordance with the Company's plans to reserve financial resources for development of the paperless lottery distribution platforms as disclosed earlier this year, the Company has started investing in the relevant development with reserved financial resources. This will adequately prepare the Group as when the paperless lottery distribution platforms resume operations in China and maintain the Group's competitiveness in the industry.

Meanwhile, once the financial challenge posed by the Bonds redemption obligation was addressed by the Group in near future, it is envisaged that the financial position of the Group will improve significantly. Given the prolonged suspension of the paperless lottery distribution platforms in China lottery market and uncertainties of regulatory development, the Company has adopted a business diversification strategy to help the Group to improve profitability and balance overall operation risk of its business portfolio. The Group is planning to speed up the pace of executing its plans to diversify income source through other investment opportunities in the PRC. The Group will continue to focus on growing and investing in sectors where we believe we can drive long-term sustainable growth.

FINANCIAL REVIEW

Financial Results

For the six months ended 30 June 2018, the Group recorded a revenue of approximately HK\$111,599,000 (2017: approximately HK\$241,774,000), representing a decrease of 54% as compared with the same period last year. The decrease resulted from the completion of the disposal of subsidiaries in first half of 2017 and the continual unfavorable operating environment in the PRC lottery industry, including deterioration of demand for scratch cards market, keen competition in Welfare CTG and Sports CTG markets and the slow development in paperless electronic lottery distribution market.

展望未來，本集團系統及遊戲開發業務的表現將取決於其從彩票市場持續激烈的競爭中脫穎而出的能力，而本集團的配送及市場業務短期內則會受即開票需求不斷下滑及無紙化彩票配送平台發展緩慢所阻礙。按照本公司於本年度較早前所披露的無紙化彩票配送平台開發投資計劃，本公司已開始將預留的財務資源投資於相關開發，作出充份準備，以期無紙化彩票配送平台於中國重啟時，維持本集團於行內的競爭力。

與此同時，待本集團於不久將來解決該等債券贖回責任帶來之財政挑戰後，本集團的財務狀況預期將會顯著改善。鑑於無紙化彩票配送平台於中國彩票市場長時間暫停，加上監管發展的不明朗因素，本公司已採納業務多元化策略，改善本集團的盈利能力，平衡其業務組合的整體經營風險。本集團現計劃加快執行透過中國其他投資機會分散收入來源的計劃。本集團將繼續重點培育及投資於能夠推動長遠可持續增長的領域。

財務回顧

財務業績

截至二零一八年六月三十日止六個月，本集團錄得收入約111,599,000港元（二零一七年：約241,774,000港元），較去年同期減少54%。減少乃由於二零一七年上半年完成出售附屬公司及中國彩票業經營環境持續不景氣（包括即開票市場需求不振，福彩電腦票及體彩電腦票市場競爭激烈，以及無紙化電子彩票配送市場發展緩慢）所致。

The unaudited loss attributable to equity shareholders of the Company was approximately HK\$140,492,000 (2017 restated: approximately HK\$141,704,000). The loss per share was 1.09 HK cents (2017 adjusted: 1.40 HK cents). Diluted loss per share for the six months ended 30 June 2018 and 30 June 2017 are the same as the basic loss per share as both the share options and the Bonds outstanding during the period had an anti-dilutive effect on the basic loss per share. Cost of sales reduced in line with revenue. However, administrative expenses increased by 8% over the same period of last year which was mainly due to the increase of general operating costs in China, and the increase in research and development expenses of the Group for repositioning of the Group's business in light of the challenging competitive landscape in the Chinese lottery market.

Liquidity, Financial Resources and Funding

At 30 June 2018, the Group's total equity amounted to approximately HK\$4,934,013,000 as compared to approximately HK\$4,942,084,000 at the end of the previous year.

At 30 June 2018, the Group (including the assets of the disposal groups classified as held for sale) had cash and bank balances of approximately HK\$1,754,588,000 (31 December 2017: approximately HK\$1,841,419,000). The decrease in cash and bank balance was mainly due to the net cash outflow for operating activities. The increase in utility and other deposits was due to the Group's stepped up efforts in business development during the period under review.

In 2011 and 2012, the Company issued 2017 Bonds in principal amount of HK\$964,700,000 and HK\$429,000,000 respectively. Each 2017 Bond is convertible into fully paid Share at the applicable conversion price of HK\$0.5200 per Share as at 30 June 2018. The 2017 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 2017 Bonds into Shares by the Bondholders. As at 30 June 2018, the principal amount of the 2017 Bonds remaining outstanding was HK\$100,906,642.86 (31 December 2017: HK\$100,906,642.86).

In 2014, the Company issued 2019 Bonds in principal amount of HK\$1,900,000,000. Each 2019 Bond is convertible into fully paid Shares of the Company at the applicable conversion price of HK\$1.2900 per Share as at 30 June 2018. 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. As at 30 June 2018, the principal amount of the 2019 Bonds outstanding was HK\$551,402,486.50 (31 December 2017: HK\$551,402,486.50).

本公司權益股東應佔未經審核虧損約為140,492,000港元(二零一七年(經重列):約141,704,000港元)。每股虧損為1.09港仙(二零一七年(經調整):1.40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具有反攤薄影響,故截至二零一八年六月三十日及二零一七年六月三十日止六個月之每股攤薄虧損與每股基本虧損相同。銷售成本隨收入減少。然而,與上一期間比較,行政費用較去年同期增加8%,主要是由於中國一般經營成本上漲,以及本集團因應中國彩票市場競爭挑戰重整旗下業務令研究及開發費用增加所致。

流動資金、財務資源及融資

於二零一八年六月三十日,本集團之權益總額約為4,934,013,000港元,去年年終則約為4,942,084,000港元。

於二零一八年六月三十日,本集團(包括分類為持作出售之出售組別之資產)持有現金及銀行結餘約1,754,588,000港元(二零一七年十二月三十一日:約1,841,419,000港元)。現金及銀行結餘減少主要是由於經營業務現金流出淨額所致。回顧期內本集團加強業務發展,令公用事業及其他按金有所增加。

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港元之二零一七年債券。於二零一八年六月三十日,每份二零一七年債券可按適用轉換價每股0.5200港元轉換為繳足股份。二零一七年債券按年利率6厘計息,利息須每半年期末支付。於回顧期內,並無債券持有人將二零一七年債券轉換為股份。於二零一八年六月三十日,尚未償還之二零一七年債券之本金額為100,906,642.86港元(二零一七年十二月三十一日:100,906,642.86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。於二零一八年六月三十日,每份二零一九年債券可按適用轉換價每股1.2900港元轉換為本公司的繳足股份。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。於二零一八年六月三十日,尚未償還之二零一九年債券之本金額為551,402,486.50港元(二零一七年十二月三十一日:551,402,486.50港元)。

The gearing ratio as at 30 June 2018 was 13.22% (31 December 2017:13.31%). The gearing ratio was derived by dividing the total borrowings including the Bonds and bank borrowing of approximately HK\$652,309,000 (31 December 2017: approximately HK\$657,671,000) by the amount of total equity. The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 452% (31 December 2017: 458%), reflecting adequacy of financial resources.

The Group had no outstanding bank borrowings as at 30 June 2018 (31 December 2017: approximately HK\$5,362,000). As at 31 December 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.

On 20 March 2018, the Company completed the issue of 5,014,247,669 Rights Shares to the qualifying shareholders, on the basis of one Rights Share for every two existing Shares held on the record date at the subscription price of HK\$0.051 per Rights Share. The net proceeds from the Rights Issue raised by the Company was approximately HK\$248,856,000.

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.

During the period under review, the Group has applied new and revised accounting standards, including HKFRS 15 and HKFRS 9, which are effective for the Group's financial year beginning on 1 January 2018. Please refer to Notes 2(a) and (b) for the details of the effect and impact on the Group.

Pledge of Assets

As at 30 June 2018, no trade receivables (31 December 2017: approximately HK\$19,351,000) were pledged to a bank to secure general banking facilities granted to the Group.

Share Capital

On 20 March 2018, the Company issued and allotted an aggregate of 5,014,247,669 Shares by way of Rights Issue at the subscription price of HK\$0.051 per Rights Shares.

As at 30 June 2018, the total number of issued shares of the Company was 15,042,743,007.

Save as disclosed above, there was no change in the Company's share capital structure during the period under review.

於二零一八年六月三十日之負債比率為13.22% (二零一七年十二月三十一日:13.31%)。負債比率為將借貸總額(包括該等債券及銀行借貸約652,309,000港元(二零一七年十二月三十一日:約657,671,000港元))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452%(二零一七年十二月三十一日:458%)，反映財務資源充裕。

本集團於二零一八年六月三十日並無未償還銀行借貸(二零一七年十二月三十一日:約5,362,000港元)。於二零一七年十二月三十一日，銀行借貸以人民幣為單位，並按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。

於二零一八年三月二十日，本公司完成按於記錄日期每持有2股現有股份獲發1股供股股份之基準以認購價每股供股股份0.051港元發行5,014,247,669股供股股份予合資格股東。本公司來自供股之所得款項淨額約為248,856,000港元。

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。

於回顧期內，本集團已應用於二零一八年一月一日開始之本集團財政年度生效之新訂及經修訂會計準則(包括香港財務報告準則第15號及香港財務報告準則第9號)。對本集團之影響詳情請參閱附註2(a)及(b)。

資產抵押

於二零一八年六月三十日，並無應收貿易賬款(二零一七年十二月三十一日:約19,351,000港元)抵押予銀行，作為本集團獲授之一般銀行融資之擔保。

股本

於二零一八年三月二十日，本公司以供股方式按認購價每股供股股份0.051港元發行及配發合共5,014,247,669股股份。

於二零一八年六月三十日，本公司之已發行股份總數為15,042,743,007股。

除上文所披露者外，本公司之股本架構於回顧期內並無變動。

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.

Contingent Liabilities

Details of contingent liabilities of the Group are set out in Note 16 to the consolidated financial statements.

Capital Commitments

As at 30 June 2018, the Company had capital commitments contracted for but not provided for in the consolidated financial statements of approximately HK\$84,592,000 (31 December 2017: approximately HK\$84,597,000) for increase in registered capital of subsidiaries.

HUMAN RESOURCES

At 30 June 2018, the Group had 558 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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The Group had no material acquisition and disposal of subsidiaries during the six months ended 30 June 2018.

匯率波動風險及利率風險

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面對之外匯風險，並採取適當行動。

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。

或然負債

本集團之或然負債詳情載於綜合財務報表附註16。

資本承擔

於二零一八年六月三十日，本公司就附屬公司之註冊資本增加有已訂約但未於綜合財務報表撥備之資本承擔約84,592,000港元（二零一七年十二月三十一日：約84,597,000港元）。

人力資源

於二零一八年六月三十日，本集團共有558名僱員。

本集團主要基於個別員工之表現及經驗酬報其僱員。除基本薪酬外，本集團亦會參照其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。

附屬公司之重大收購及出售

於截至二零一八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。

POTENTIAL DISPOSAL

On 29 July 2018, the Company entered into a non-legally binding letter of intent with, among others, an independent third party in relation to the potential disposal (the “Potential Disposal”) of the operating entity in the scratch card business in China (the “Disposal Target”). As at the date hereof, the Disposal Target is wholly-owned by a company which is indirectly owned by a member of the Group and another party in equal shares. The Potential Disposal will be for an aggregate consideration of RMB105 million, subject to definitive agreement.

As at the date hereof, the terms and conditions of the Potential Disposal are still being negotiated and no definitive transaction agreement or other legally binding agreement has been entered into. The Potential Disposal, if materializes, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

Information of the Potential Disposal has been set out in the Company’s announcement dated 29 July 2018.

PROPOSED SHARE CONSOLIDATION

On 24 April 2018, the Board proposed to implement a share consolidation of every five (5) issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share of HK\$0.05 each (the “Consolidated Shares”) in the issued and unissued share capital of the Company (the “Share Consolidation”) subject to, among other things, (i) the passing of the ordinary resolution to approve the Share Consolidation by the shareholders of the Company at the special general meeting (the “Share Consolidation SGM”); and (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval to the listing of and permission to deal in the Consolidated Shares.

As stated in the Company’s announcement dated 7 June 2018, in order to provide more information to the shareholders of the Company for considering the Share Consolidation if the Potential Disposal materializes, the circular in respect of the Share Consolidation (the “Share Consolidation Circular”) and the supplemental circular in respect of the proposed CB Subscription and the proposed Increase in Authorized Share Capital (as defined in the section headed “CB Subscription Agreement in relation to New CB” below) (the “Supplemental Circular”) shall be despatched on or around the same time. As a result, the expected timetable for the Share Consolidation will be revised and announced as soon as practicable.

As at 30 June 2018 and the date hereof, the Share Consolidation has not yet been completed.

Details of the Share Consolidation are set out in the Company’s announcements dated 24 April 2018, 31 May 2018 and 7 June 2018.

可能出售事項

於二零一八年七月二十九日，本公司與（其中包括）一名獨立第三方訂立不具法律約束力之意向書，內容有關可能出售中國即開票業務之經營實體（「出售目標」）（「可能出售事項」）。於本報告日期，出售目標由本集團一間成員公司與另一方各間接擁有50%權益之公司全資擁有。可能出售事項之總代價將為人民幣105,000,000元，待訂立最終協議後方可作實。

於本報告日期，可能出售事項之條款及條件仍在磋商，訂約各方概無訂立最終交易協議或其他具法律約束力之協議。可能出售事項如若落實，可能構成上市規則第十四章下本公司之須予公布的交易。

可能出售事項之資料載於本公司日期為二零一八年七月二十九日之公布。

建議股份合併

於二零一八年四月二十四日，董事會建議進行股份合併，涉及將本公司股本中每五(5)股每股面值0.01港元之已發行及未發行股份合併為本公司已發行及未發行股本中一(1)股面值0.05港元之合併股份（「合併股份」）（「股份合併」），須待（其中包括）(i)本公司股東於股東特別大會（「股份合併股東特別大會」）上通過普通決議案批准股份合併；及(ii)香港聯合交易所有限公司上市委員會批准合併股份上市及買賣後，方可作實。

誠如本公司日期為二零一八年六月七日之公布所述，可能出售事項如果落實，為了讓本公司股東可於此情況下獲得更多資料以考慮股份合併，有關股份合併之通函（「股份合併通函」）以及有關建議可換股債券認購事項和建議增加法定股本（定義見下文「有關新可換股債券之可換股債券認購協議」一節）之補充通函（「補充通函」）將於同一時間或前後寄發。因此，股份合併之預期時間表將作修訂，並於實際可行情況下儘快宣布。

於二零一八年六月三十日及本報告日期，股份合併尚未完成。

股份合併詳情載於本公司日期分別為二零一八年四月二十四日、二零一八年五月三十一日及二零一八年六月七日之公布。

THE PROPOSED FUND RAISING PLANS**Rights Issue**

On 19 November 2017, the Company announced and proposed to implement a rights issue on the basis of one rights share for every two existing Shares held on the record date at the subscription price of HK\$0.051 per rights shares. The Rights Issue has been completed and an aggregate of 5,014,247,669 Rights Shares were issued and allotted on 20 March 2018. The net proceeds from the Rights Issue raised by the Company was approximately HK\$248,856,000, which has still not been utilized as at the date hereof. The net proceeds from Rights Issue will form part of the Group's offshore financial resources for the repayment of the Group's existing offshore liabilities. As disclosed in the Company's circular dated 25 April 2018, upon completion of the proposed fund raising plans, the Company intends to firstly repay the Bonds, and then repay the other liabilities and the shareholder's loan. The repayments will be made by applying the Company's offshore financial resources and the net proceeds from the proposed fund raising plans.

Details of the Rights Issue are set out in the Company's announcements dated 19 November 2017, 6 December 2017, 29 January 2018 and 19 March 2018, and the Company's prospectus dated 23 February 2018.

CB Subscription Agreement in relation to New CB

On 17 November 2017, the Company and Keen Start Limited ("Keen Start"), a substantial shareholder (as defined in the Listing Rules) of the Company, entered into a conditional subscription agreement (as supplemented on 14 February 2018, 21 March 2018, 31 May 2018 and 30 July 2018) (the "CB Subscription Agreement"), pursuant to which, the Company has conditionally agreed to allot and issue to Keen Start, and Keen Start has conditionally agreed to subscribe for the convertible bonds in an aggregate principal amount of HK\$167,500,000 (the "New CB") at the initial conversion price of HK\$0.067 per Share (the "CB Subscription"). The aggregate principal amount of the New CB is HK\$167,500,000. The CB Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the Company's independent shareholders' approval. In order to allow sufficient authorized share capital after completion of the CB Subscription, the Board has proposed and will seek approval from the shareholders to increase the authorized share capital of the Company from HK\$200,000,000 divided into 20,000,000,000 Shares to HK\$500,000,000 divided into 50,000,000,000 Shares, by the creation of an additional 30,000,000,000 Shares which shall rank pari passu with the existing Shares in all respects upon allotment and issue (the "Increase in Authorized Share Capital").

建議集資計劃**供股**

於二零一七年十一月十九日，本公司宣布建議按認購價每股供股股份0.051港元進行供股（基準為於記錄日期每持有2股現有股份獲發1股供股股份）。供股已經完成，合共5,014,247,669股供股股份已於二零一八年三月二十日發行及配發。本公司來自供股之所得款項淨額約為248,856,000港元，於本報告日期尚未動用。供股之所得款項淨額將構成本集團部分國外財務資源，用以償還本集團的現有國外負債。誠如本公司日期為二零一八年四月二十五日之通函所披露，於建議集資計劃完成時，本公司擬首先償還該等債券，然後償還其他負債及股東貸款。還款將動用本公司之國外財務資源及建議集資計劃所得款項淨額撥付。

供股詳情載於本公司日期為二零一七年十一月十九日、二零一七年十二月六日、二零一八年一月二十九日及二零一八年三月十九日之公布，以及本公司日期為二零一八年二月二十三日之供股章程內。

有關新可換股債券之可換股債券認購協議

於二零一七年十一月十七日，本公司與Keen Start Limited（「Keen Start」，本公司之主要股東（定義見上市規則））訂立一份有條件認購協議（於二零一八年二月十四日、二零一八年三月二十一日、二零一八年五月三十一日及二零一八年七月三十日補充）（「可換股債券認購協議」），據此，本公司有條件同意按初步轉換價每股股份0.067港元向Keen Start配發及發行，而Keen Start有條件同意認購本金總額為167,500,000港元之可換股債券（「新可換股債券」）（「可換股債券認購事項」）。新可換股債券之本金總額為167,500,000港元。根據上市規則，可換股債券認購事項構成本公司之關連交易，須遵守本公司獨立股東批准規定。為了於完成可換股債券認購事項後有充足之法定股本，董事會建議並將尋求股東批准藉增設30,000,000,000股股份，將本公司法定股本由200,000,000港元（分為20,000,000,000股股份）增至500,000,000港元（分為50,000,000,000股股份），而所增設股份於配發及發行時將於各方面與現有股份享有同等地位（「增加法定股本」）。

As stated in the Company's announcement dated 9 May 2018, it would be material information for shareholders of the Company to consider at the special general meeting for approving the CB Subscription and Increase in Authorized Share Capital, if the Potential Disposal materializes. Therefore, the Board considered that it would be appropriate and prudent to adjourn the resolutions to be proposed at the special general meeting, and provide additional information to the shareholders of the Company pursuant to Rule 13.73 of the Listing Rules. The ordinary resolution to adjourn the special general meeting (the "Adjourned SGM") in respect of the CB Subscription and the Increase in Authorized Share Capital to a time, date and place to be further notified by the Company was passed on 11 May 2018.

As stated in the Company's announcement dated 7 June 2018, the Supplemental Circular containing, among other things, further information in relation to the Potential Disposal will be despatched to shareholders of the Company in due course. The Share Consolidation Circular and the Supplemental Circular shall be despatched on or around the same time, and that the Share Consolidation SGM and the Adjourned SGM shall be held on the same date.

As at 30 June 2018 and the date hereof, the CB Subscription and the Increase in Authorized Share Capital have not yet been completed.

Details of the CB Subscription and the Increase in Authorized Share Capital are set out in the Company's announcements dated 19 November 2017, 23 February 2018, 21 March 2018, 20 April 2018, 9 May 2018, 11 May 2018, 7 June 2018 and 30 July 2018, and the Company's circular dated 25 April 2018.

THE 2017 AND 2019 CONVERTIBLE BONDS

The 2017 Bonds

The Company issued the 2017 Bonds in 2011 and 2012 respectively in an aggregate principal amount of HK\$1,393,700,000 which was convertible into fully paid Shares at an initial conversion price of HK\$0.6175 per Share. As a result of the Rights Issue, the conversion price of the 2017 Bonds has been adjusted from HK\$0.5600 per Share to HK\$0.5200 per Share, effective from 12 February 2018.

During the period under review, there was no conversion of the 2017 Bonds. As at 30 June 2018, the principal amount of the 2017 Bonds outstanding was HK\$100,906,642.86. Each 2017 Bond is convertible into fully paid Shares at the applicable conversion price of HK\$0.5200 per Share.

誠如本公司日期為二零一八年五月九日之公布所述，可能出售事項之條款如果落實，將為本公司股東於股東特別大會上批准可換股債券認購事項及增加法定股本時須考慮之重要資料。因此，董事會認為，根據上市規則第13.73條押後將於股東特別大會上提呈之決議案並向股東提供額外資料，實屬合適及審慎之舉。股東已於二零一八年五月十一日通過普通決議案，押後有關可換股債券認購事項及增加法定股本之股東特別大會（「經押後股東特別大會」）至本公司另行通知之日期、時間及地點舉行。

誠如本公司日期為二零一八年六月七日之公布所述，本公司將於適當時候向本公司股東寄發補充通函，當中載有（其中包括）有關可能出售事項之進一步資料。股份合併通函及補充通函將於同一時間或前後寄發，而股份合併股東特別大會及經押後股東特別大會亦將於同日舉行。

於二零一八年六月三十日及本報告日期，可換股債券認購事項及增加法定股本尚未完成。

可換股債券認購事項及增加法定股本之詳情載於本公司日期為二零一七年十一月十九日、二零一八年二月二十三日、二零一八年三月二十一日、二零一八年四月二十日、二零一八年五月九日、二零一八年五月十一日、二零一八年六月七日及二零一八年七月三十日之公布，以及本公司日期為二零一八年四月二十五日之通函內。

二零一七年及二零一九年可換股債券 二零一七年債券

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港元之二零一七年債券，可按每股股份0.6175港元之初步轉換價轉換為繳足股份。由於進行供股，故二零一七年債券之轉換價已由每股股份0.5600港元調整為每股股份0.5200港元，由二零一八年二月十二日起生效。

於回顧期內，二零一七年債券並無獲轉換。於二零一八年六月三十日，二零一七年債券之未償還本金額為100,906,642.86港元。每份二零一七年債券可按每股股份0.5200港元之適用轉換價轉換為繳足股份。

The 2019 Bonds

The Company issued the 2019 Bonds in 2014 in the principal amount of HK\$1,900,000,000. Each 2019 Bond was convertible into fully paid Shares at an initial conversion price of HK\$1.4070 per Share. As a result of the Rights Issue, the conversion price of the 2019 Bonds has been adjusted from HK\$1.3700 per Share to HK\$1.2900 per Share, effective from 12 February 2018.

There was no conversion of any 2019 Bonds since their issuance and during the period under review. As at 30 June 2018, the principal amount of the 2019 Bonds outstanding was HK\$551,402,486.50. Each 2019 Bond is convertible into fully paid Shares at the applicable conversion price of HK\$1.2900 per Share. The 2019 Bonds are listed on the Singapore Exchange Securities Trading Limited.

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 2017 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 Bondholders that a “Relevant Event” occurred. Each Bondholder had the right at such Bondholder’s option, to require the Company to redeem all or some only of such Bondholder’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 2017 Bonds and the 2019 Bonds. Upon redemption of any of the Bonds, such redeemed Bonds will be cancelled.

二零一九年債券

本公司於二零一四年發行本金額為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股份1.4070港元之初步轉換價轉換為繳足股份。由於進行供股，故二零一九年債券之轉換價已由每股股份1.3700港元調整為每股股份1.2900港元，由二零一八年二月十二日起生效。

自發行以來及於回顧期內，二零一九年債券並無獲轉換。於二零一八年六月三十日，二零一九年債券之未償還本金額為551,402,486.50港元。每份二零一九年債券可按每股股份1.2900港元之適用轉換價轉換為繳足股份。二零一九年債券於新加坡證券交易所上市。

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，根據二零一七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」。本公司已向債券持有人發出已發生「相關事件」之通知。根據二零一七年債券及二零一九年債券各自之條款及條件，每名債券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）贖回相關債券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 2017 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 2017 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 was 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 2018 and the date hereof. 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 fulfill 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) 押後二零一七年債券之到期日；(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) 有關二零一七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。該等債券於二零一八年六月三十日及本報告日期仍未償還。受託人或透過受託人行事之債券持有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國外財務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 2017 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 2017 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 30 June 2018 and the date hereof, the Offer has not yet been completed.

As disclosed in the Company's announcements dated 19 November 2017, 29 January 2018, 9 May 2018 and 30 July 2018 respectively, Keen Start has revised the settlement date for the purchase of the Bonds and the latest revised settlement of the Bonds shall take place on 18 September 2018, that is after the blackout period for directors pursuant to Appendix 10 to the Listing Rules (which is applicable to Keen Start since it is wholly-owned by a director of the Company) in respect of this interim results announcement (i.e. after 31 August 2018).

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二零一七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之該等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已分別從持有超過二零一七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。於二零一八年六月三十日及本報告日期，要約尚未完成。

誠如本公司日期分別為二零一七年十一月十九日、二零一八年一月二十九日、二零一八年五月九日及二零一八年七月三十日之公布所披露，Keen Start已將購買該等債券之結算日期修訂，該等債券之最後經修訂結算日期將為二零一八年九月十八日，即根據上市規則附錄十有關本中期業績公布之董事禁止買賣期完結後（即二零一八年八月三十一日後，上述禁止買賣期適用於Keen Start，原因在於其由本公司一名董事全資擁有）。

OTHER INFORMATION

其他資料

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2018, 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 (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 of Hong Kong Limited (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

| 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 | 4,442,412,782 (Note 1) (附註1) | 2,971,423,885 (Note 2) (附註2) | 7,413,836,667 | 49.29% |
| Boo Chun Lon 巫峻龍 | Beneficial owner 實益擁有人 | – | 5,063,695 (Note 3) (附註3) | 5,063,695 | 0.03% |
| Yuen Wai Ho 阮煒豪 | Beneficial owner 實益擁有人 | – | 5,063,695 (Note 3) (附註3) | 5,063,695 | 0.03% |
| Chow Siu Ngor 鄒小岳 | Beneficial owner 實益擁有人 | – | 5,063,695 (Note 3) (附註3) | 5,063,695 | 0.03% |

董事及最高行政人員之權益

於二零一八年六月三十日，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」）已知會本公司及香港聯合交易所有限公司（「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

OTHER INFORMATION (continued)

Notes:

- (1) 3,981,461,495 Shares are held by Keen Start and 460,951,287 Shares are held by Kingly Profits Corporation. Each of Keen Start and Kingly Profits Corporation is wholly-owned by Smart Ease Corporation, which in turn, is wholly-owned by Mr. Chan How Chung, Victor. Mr. Chan is a director of Keen Start, Kingly Profits Corporation and Smart Ease Corporation.
- (2) Mr. Chan How Chung, Victor is beneficially interested in 5,063,695 underlying Shares to be derived from the share option granted under the share option scheme adopted by the Company on 28 June 2012 (the "2012 Scheme"). Keen Start agreed to subscribe for the convertible bonds in an aggregate principal amount of HK\$167,500,000 (the "New CB") at the initial conversion price of HK\$0.067 per Share in accordance with the terms of the CB Subscription Agreement. Keen Start also agreed to purchase certain bonds, details of which are set out in the section headed "The Offer" in this report. Accordingly, Mr. Chan is also deemed to be interested in, through Keen Start, 466,360,190 underlying Shares to be derived from conversion of the Bonds at their respective applicable conversion price, and 2,500,000,000 underlying Shares to be derived from conversion of the New CB at the initial conversion price of HK\$0.067 per Share.
- (3) 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 2018, 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 Hong Kong Companies Ordinance (Cap. 622)) 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) 3,981,461,495股股份由Keen Start持有及460,951,287股股份由Kingly Profits Corporation持有。Keen Start及Kingly Profits Corporation均由Smart Ease Corporation全資擁有，而Smart Ease Corporation則由陳孝聰先生全資擁有。陳先生為Keen Start、Kingly Profits Corporation及Smart Ease Corporation之董事。
- (2) 陳孝聰先生於5,063,695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。Keen Start同意按照可換股債券認購協議之條款按初步轉換價每股0.067港元認購本金總額為167,500,000港元之可換股債券（「新可換股債券」）。Keen Start亦同意購買若干債券，詳情載於本報告「要約」一節。因此，陳先生亦被視為透過Keen Start於466,360,190股相關股份（產生自按其各自之適用轉換價轉換之該等債券）及2,500,000,000股相關股份（產生自按初步轉換價每股0.067港元轉換之新可換股債券）中擁有權益。
- (3) 相關股份產生自本公司根據二零一二年計劃授出之購股權。

除上文所披露者外，於二零一八年六月三十日，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部及香港公司條例（第622章））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。

SHARE OPTIONS

The movements in share options granted under the 2012 Scheme during the six months ended 30 June 2018 are shown below:

購股權

於截至二零一八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 | | | | | Adjusted during the period (Note 1) (附註1) | At 30 June 2018 於二零一八年 六月三十日 | Date of grant 授出日期 | Exercise price per Share (Note 1) (附註1) HK\$ 港元 | Exercisable period 行使期 |
|---|---|---|---|--|-----------------------|---|--|--------------------------|--|------------------------------|
| | At 1 January 2018 於二零一八年 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 | At 30 June 2018 | | | | | |
| Directors/substantial shareholder 董事/主要股東 | | | | | | | | | | |
| Chan How Chung, Victor 陳孝聰 | 5,000,000 | - | - | - | 63,695 | 5,063,695 | 29/09/2016 | 0.1068 | 29/09/2016 – 28/09/2018 | |
| Boo Chun Lon 巫峻龍 | 5,000,000 | - | - | - | 63,695 | 5,063,695 | 29/09/2016 | 0.1068 | 29/09/2016 – 28/09/2018 | |
| Yuen Wai Ho 阮煒豪 | 5,000,000 | - | - | - | 63,695 | 5,063,695 | 29/09/2016 | 0.1068 | 29/09/2016 – 28/09/2018 | |
| Chow Siu Ngor 鄧小岳 | 5,000,000 | - | - | - | 63,695 | 5,063,695 | 29/09/2016 | 0.1068 | 29/09/2016 – 28/09/2018 | |
| Lee Ka Lun* (Note 2) 李家麟* (附註2) | 5,000,000 | - | - | - | 63,695 | 5,063,695 | 29/09/2016 | 0.1068 | 29/09/2016 – 28/09/2018 | |
| Employees 僱員 | 285,000,000 | - | - | - | 3,630,615 | 288,630,615 | 29/09/2016 | 0.1068 | 29/09/2016 – 28/09/2018 | |
| Total 總計 | <u>310,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,949,090</u> | <u>313,949,090</u> | | | | |

* Ex-director

* 前董事

Notes:

附註：

- The exercise price and the number of outstanding share options have been adjusted as a result of the completion of the Rights Issue on 20 March 2018.
- Pursuant to the rules of the 2012 Scheme, 5,063,695 share options were granted to Mr. Lee Ka Lun, who retired as an independent non-executive Director on 29 June 2018, lapsed on 30 July 2018 (i.e. one month after the date of his retirement).

- 未行使購股權之行使價及數目已因供股於二零一八年三月二十日完成而調整。
- 根據二零一二年計劃之規則，已授予李家麟先生（已於二零一八年六月二十九日退任獨立非執行董事）之5,063,695份購股權已於二零一八年七月三十日（即李家麟先生退任後一個月）失效。

During the six months ended 30 June 2018, no share option was granted under the 2012 Scheme.

於截至二零一八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 2018, 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:

Long position in the Shares and underlying Shares in the Company**主要股東權益**

於二零一八年六月三十日，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：

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 | 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 | 4,442,412,782 | 2,966,360,190 | 7,408,772,972 (Notes A and B) (附註A及B) | 49.25% |
| Keen Start | Beneficial owner 實益擁有人 | 3,981,461,495 | 2,966,360,190 | 6,947,821,685 (Note A) (附註A) | 46.19% |

Notes:

- A. 3,981,461,495 Shares and 2,966,360,190 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 as disclosed in the section headed "Interests of Directors and Chief Executives" in this report.
- B. 460,951,287 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 as disclosed in the section headed "Interests of Directors and Chief Executives" in this report.

附註：

- A. 該3,981,461,495股股份及2,966,360,190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則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先生之權益內。
- B. 該460,951,287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則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 2018, 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，於二零一八年六月三十日，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 2018 (2017: Nil).

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

During the six month ended 30 June 2018, 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 2018.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the period under review and up to the date of this report are set out below:

- (1) Mr. Lee Ka Lun retired as an independent non-executive Director and ceased to be the chairman of the nomination committee, and a member of both the audit committee and the remuneration committee of the Company at the conclusion of the annual general meeting of the Company held on 29 June 2018.
- (2) Mr. Wong Hoi Kuen was appointed as the an independent non-executive Director, chairman of the nomination committee and a member of both the audit committee and the remuneration committee of the Company with effect from the conclusion of the annual general meeting of the Company held on 29 June 2018.
- (3) Mr. Wong Hoi Kuen resigned as an independent non-executive director, and a member of the audit committee and the nomination committee of China Baoli Technologies Holdings Limited with effect from 16 July 2018.

其他資料 (續)

中期股息

董事會不建議派付截至二零一八年六月三十日止六個月之任何中期股息(二零一七年:無)。

購買、出售或贖回本公司之上市證券

於截至二零一八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。經本公司作出具體查詢後,全體董事均已確認彼等已於截至二零一八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

根據上市規則第13.51B(1)條,於回顧期內及截至本報告日期止,依據上市規則第13.51(2)條(a)至(e)段及(g)段須予披露之董事資料變動載列如下:

- (1) 於二零一八年六月二十九日舉行之本公司股東週年大會結束後,李家麟先生已退任獨立非執行董事,亦不再擔任本公司提名委員會主席以及審核委員會及薪酬委員會成員。
- (2) 黃海權先生已獲委任為本公司獨立非執行董事、提名委員會主席以及審核委員會及薪酬委員會成員,自於二零一八年六月二十九日舉行之本公司股東週年大會結束時起生效。
- (3) 黃海權先生已辭任中國寶力科技控股有限公司之獨立非執行董事以及審核委員會及提名委員會成員,由二零一八年七月十六日起生效。

OTHER INFORMATION (continued)

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 2018.

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.

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, 31 August 2018

其他資料 (續)

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，包括審閱截至二零一八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效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。

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，惟須如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，二零一八年八月三十一日

