



香港教育

(國際)投資集團有限公司

Hong Kong Education (Int'l) Investments Ltd

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立及於百慕達存續之有限公司)

Stock Code 股份代號: 1082



2019

INTERIM REPORT

中期報告



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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Tsang Ka Wai
Yip Chung Yin Jeffrey
Wong King Hoi

INDEPENDENT NON-EXECUTIVE DIRECTORS

Jor Stephanie Wing Yee
Leung Ki Chi James
Fenn David

COMPANY SECRETARY

Lam Yick Tung Philip

AUDIT COMMITTEE

Jor Stephanie Wing Yee (*Chairman*)
Leung Ki Chi James
Fenn David

REMUNERATION COMMITTEE

Jor Stephanie Wing Yee (*Chairman*)
Yip Chung Yin Jeffrey
Fenn David

NOMINATION COMMITTEE

Fenn David (*Chairman*)
Tsang Ka Wai
Jor Stephanie Wing Yee

AUTHORISED REPRESENTATIVES

Yip Chung Yin Jeffrey
Lam Yick Tung Philip

AUDITORS

Baker Tilly Hong Kong Limited
Certified Public Accountants

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

執行董事

曾家偉
葉頌賢
黃敬凱

獨立非執行董事

左穎怡
梁其智
范德偉

公司秘書

林翼東

審核委員會

左穎怡 (*主席*)
梁其智
范德偉

薪酬委員會

左穎怡 (*主席*)
葉頌賢
范德偉

提名委員會

范德偉 (*主席*)
曾家偉
左穎怡

授權代表

葉頌賢
林翼東

核數師

天職香港會計師事務所有限公司
執業會計師

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda



Corporate Information

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 1006-7, 10/F.
China United Centre
28 Marble Road
North Point
Hong Kong

香港總辦事處及主要營業地點

香港
北角
馬寶道28號
華匯中心
10樓1006-7室

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要股份過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

COMPANY WEBSITE

www.hkeduii.com

公司網站

www.hkeduii.com

STOCK CODE

1082

股份代號

1082

Financial Highlights

財務摘要

For the six months ended 31 December 2018:

- The Group recorded revenue of approximately HK\$57.07 million, representing an increase of approximately 7.53% as compared to approximately HK\$53.07 million for the corresponding period in 2017.
- The Group recorded a loss of approximately HK\$45.21 million (2017: profit of approximately HK\$5.59 million). The loss was mainly attributable to (i) the loss arising on change in fair value of financial assets at fair value through profit or loss of approximately HK\$18.73 million (2017: gain of approximately HK\$31.19 million); and (ii) lack of one-off gain on disposal of subsidiaries in the six months ended 31 December 2018 (2017: gain of approximately HK\$13.85 million).

As at 31 December 2018:

- The Group had a current ratio (defined as total current assets divided by total current liabilities) of 7.77 times and a gearing ratio, expressed as total debts divided by the sum of total equity plus total debts (total debts refer to total liabilities minus the sum of tax payable, deferred tax liabilities and dividend payable (if any)) of 9.61%.

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018 (2017: nil).

截至2018年12月31日止六個月：

- 本集團錄得收入約57,070,000港元，較2017年同期之約53,070,000港元增加約7.53%。
- 本集團錄得虧損約45,210,000港元（2017年：溢利約5,590,000港元）。虧損乃主要由於(i)按公平值計入損益之金融資產的公平值變動而產生虧損約18,730,000港元（2017年：收益約31,190,000港元）；及(ii)於截至2018年12月31日止六個月並無出售附屬公司的一次性收益（2017年：收益約13,850,000港元）。

於2018年12月31日：

- 本集團之流動比率（界定為總流動資產除以總流動負債）為7.77倍及以總負債除以總權益加上總負債（總負債指債務總額減去應付稅項、遞延稅項負債及應付股息（如有）之和）之和表示的資本負債比率為9.61%。

董事會不建議就截至2018年12月31日止六個月支付中期股息（2017年：無）。

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 31 December 2018 截至2018年12月31日止六個月

INTERIM RESULTS (UNAUDITED)

The board (“Board”) of directors (“Directors”) of Hong Kong Education (Int’l) Investments Limited (“Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (“Group”) for the six months ended 31 December 2018 (“Period”), together with the comparative unaudited figures for the corresponding period in 2017 as follows:

中期業績(未經審核)

香港教育(國際)投資集團有限公司(「本公司」)董事(「董事」)會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至2018年12月31日止六個月(「本期間」)的未經審核簡明綜合業績，連同2017年同期的未經審核比較數字如下：

			For the six months ended 31 December 截至12月31日止六個月	
			2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
		NOTES 附註		
Revenue	收入	4	57,068	53,072
Other income, gains and losses	其他收入、收益及虧損	5	3,963	17,711
Staff costs	員工成本	7	(25,311)	(20,118)
Tutor contractor fee	導師承包費	7	(11,514)	(12,992)
Operating lease payments	經營租賃付款	7	(21,389)	(15,535)
Marketing expenses	市場推廣開支		(3,287)	(8,806)
Printing costs	印刷費用		(303)	(180)
Depreciation and amortisation	折舊及攤銷		(5,125)	(4,199)
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產 的公平值變動		(18,729)	31,186
Loss on disposal of available-for-sale investments	出售可供銷售投資之虧損		—	(3,053)
Other operating expenses	其他經營開支		(20,281)	(17,810)
Finance costs	財務費用	6	—	(3,205)
Share of results of joint ventures	應佔合營公司業績		(325)	(539)
Share of results of associates	應佔聯營公司業績		—	(11,314)
(Loss) profit before tax	除稅前(虧損)溢利	7	(45,233)	4,218
Income tax credit	所得稅抵免	8	25	1,374
(Loss) profit for the period	期內(虧損)溢利		(45,208)	5,592

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 31 December 2018 截至2018年12月31日止六個月

		For the six months ended 31 December 截至12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
	NOTES 附註		
Other comprehensive (expense) income, net of income tax	其他全面(開支)收入，扣除所得稅		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：		
Exchange differences arising on translating foreign operations	換算海外經營業務時產生的匯兌差額	(62)	94
Fair value loss on revaluation of available-for-sale investment	重估可供銷售投資的公平值虧損	—	(3,154)
Reclassification adjustment on investment revaluation reserve released upon disposal of available-for-sale investment	出售可供銷售投資時撥回的投資重估儲備之重新分類調整	—	(2,167)
Share of other comprehensive income of an associate	應佔聯營公司之其他全面收入	—	13,955
Other comprehensive (expense) income for the period, net of income tax	期內其他全面(開支)收入，扣除所得稅	(62)	8,728
Total comprehensive (expense) income for the period	期內全面(開支)收入總額	(45,270)	14,320
(Loss) profit for the period attributable to:	以下人士應佔期內(虧損)溢利：		
Owners of the Company	本公司擁有人	(45,248)	5,527
Non-controlling interests	非控股權益	40	65
		(45,208)	5,592
Total comprehensive (expense) income for the period attributable to:	以下人士應佔期內全面(開支)收入總額：		
Owners of the Company	本公司擁有人	(45,310)	14,255
Non-controlling interests	非控股權益	40	65
		(45,270)	14,320
			(Restated)
(Loss) earnings per share	每股(虧損)盈利		
– Basic (HK\$)	– 基本(港元)	(0.08)	0.01
– Diluted (HK\$)	– 攤薄(港元)	(0.08)	0.01

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 31 December 2018 於2018年12月31日

			31 December 2018 2018年 12月31日 (Unaudited) (未經審核) HK\$'000 千港元	30 June 2018 2018年 6月30日 (Audited) (經審核) HK\$'000 千港元
	NOTES 附註			
Non-current assets		非流動資產		
Property, plant and equipment		物業、廠房及設備	22,141	25,464
Goodwill		商譽	25,508	25,508
Other intangible assets		其他無形資產	395	495
Interest in a joint venture		於合營公司的權益	5,096	6,422
Available-for-sale investments		可供銷售投資	–	25,295
Financial assets at fair value through other comprehensive income		按公平值計入其他全面收益 之金融資產	16,114	–
Non-current deposits		非流動按金	7,567	7,954
			76,821	91,138
Current assets		流動資產		
Trade and other receivables	11	貿易及其他應收款項	21,263	27,197
Promissory note receivable		應收承兌票據	43,000	48,000
Loan receivables	12	應收貸款	40,958	31,760
Amounts due from an associate		應收聯營公司款項	795	612
Financial assets at fair value through profit or loss	13	按公平值計入損益之 金融資產	71,758	74,646
Bank balances and cash		銀行結餘及現金	14,390	42,709
			192,164	224,924
Current liabilities		流動負債		
Other payables and accruals	14	其他應付款項及應計費用	10,248	9,638
Deferred income		遞延收入	–	10,851
Contract liabilities		合約負債	8,586	–
Current tax liabilities		即期稅項負債	26	13
Amounts due to related parties		應付關連人士款項	5,868	5,868
			24,728	26,370
Net current assets		流動資產淨值	167,436	198,554
Total assets less current liabilities		總資產減流動負債	244,257	289,692

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 31 December 2018 於2018年12月31日

		NOTES 附註	31 December 2018 2018年 12月31日 (Unaudited) (未經審核) HK\$'000 千港元	30 June 2018 2018年 6月30日 (Audited) (經審核) HK\$'000 千港元
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		153	169
Provision for long service payments	長期服務金撥備		1,118	1,267
			<u>1,271</u>	<u>1,436</u>
Net assets	資產淨值		<u>242,986</u>	<u>288,256</u>
Capital and reserves	資本及儲備			
Share capital	股本	15	27,379	27,379
Reserves	儲備		<u>216,077</u>	<u>261,387</u>
Equity attributable to owners of the Company	本公司擁有人應佔權益		243,456	288,766
Non-controlling interests	非控股權益		<u>(470)</u>	<u>(510)</u>
Total equity	權益總額		<u>242,986</u>	<u>288,256</u>

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 31 December 2018 截至2018年12月31日止六個月

		Attributable to owners of the Company 本公司擁有人應佔											Attributable to non-controlling interests		Total
		Share capital	Share premium	Contributed surplus	Merger reserve	Capital reserve	Investment revaluation reserve	Financial assets measured at fair value through profit or loss 按公平值計入損益計量之金融資產	Share options reserve	Translation reserve	Accumulated losses	Subtotal			
		股本	股份溢價	實繳盈餘	合併儲備	股本儲備	投資重估儲備	金融資產	購股權儲備	匯兌儲備	累計虧損	小計	非控股權益應佔	應佔	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note i) (附註i)	HK\$'000 千港元 (Note ii) (附註ii)	HK\$'000 千港元 (Note iii) (附註iii)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 July 2017 (Audited)	於2017年7月1日(經審核)	27,379	403,188	386,954	(28,321)	446	14,387	-	13,568	523	(503,852)	314,272	50,601		364,873
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	-	5,527	5,527	65		5,592
Exchange differences arising on translating foreign operation	換算海外經營業務時產生的匯兌差額	-	-	-	-	-	-	-	-	94	-	94	-		94
Fair value loss on revaluation of available-for-sale investments	重估可供銷售投資的公平值虧損	-	-	-	-	-	(3,154)	-	-	-	-	(3,154)	-		(3,154)
Reclassification adjustment on investment revaluation reserve released upon disposal of available-for-sale investment	出售可供銷售投資時撥回的投資重估儲備之重新分類調整	-	-	-	-	-	(2,167)	-	-	-	-	(2,167)	-		(2,167)
Share of other comprehensive income of an associate	應佔一間聯營公司之其他全面收益	-	-	-	-	-	12,360	-	-	1,595	-	13,955	-		13,955
Total comprehensive income for the period	期內其他全面開支總額	-	-	-	-	-	7,039	-	-	1,689	5,527	14,255	65		14,320
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	-	-	(51,125)		(51,125)
At 31 December 2017 (Unaudited)	於2017年12月31日(未經審核)	27,379	403,188	386,954	(28,321)	446	21,426	-	13,568	2,212	(498,325)	328,527	(459)		328,068
At 1 July 2018 (Audited)	於2018年7月1日(經審核)	27,379	403,188	386,954	(28,321)	446	(2,332)	-	-	(18)	(498,530)	288,766	(510)		288,256
Adjustment on adoption of HKFRS9	就採納香港財務報告準則第9號作出的調整	-	-	-	-	-	2,332	(26,104)	-	-	23,772	-	-		-
At 1 July 2018 (Unaudited) (After adjustment)	於2018年7月1日(未經審核) (調整後)	27,379	403,188	386,954	(28,321)	446	-	(26,104)	-	(18)	(474,758)	288,766	(510)		288,256
(Loss) Profit for the period	期內(虧損)溢利	-	-	-	-	-	-	-	-	-	(45,248)	(45,248)	40		(45,208)
Exchange differences arising on translating foreign operation	換算海外經營業務時產生的匯兌差額	-	-	-	-	-	-	-	-	(62)	-	(62)	-		(62)
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	-	-	-	-	-	-	-	-	(62)	(45,248)	(45,310)	40		(45,270)
At 31 December 2018 (Unaudited)	於2018年12月31日(未經審核)	27,379	403,188	386,954	(28,321)	446	-	(26,104)	-	(80)	(520,006)	243,456	(470)		242,986

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 31 December 2018 截至2018年12月31日止六個月

Notes:

- (i) The contributed surplus of the Group represents the credit arising from the cancellation of share premium account and the reduction of share capital of the Company in May 2015. The balance may be utilised by the Directors in accordance with the Company's bye-laws and all applicable laws, including to eliminate the accumulated losses of the Company.
- (ii) The merger reserve represented the difference between the nominal value of the shares of Sino Network Group Limited ("Sino Network") and the Company issued in exchange for the entire issued share capital of Express Education Limited in 2010 and Sino Network pursuant to group reorganisation in 2011.
- (iii) The capital reserve represented capital contribution arising from transfers of interest in subsidiaries to shareholders and waiver of amount due to a shareholder in prior periods.

附註：

- (i) 本集團之實繳盈餘指本公司於2015年5月因註銷股份溢價賬及削減股本時所產生之進賬。董事可根據本公司之公司細則及所有適用之法例使用該結餘，包括用以抵銷本公司之累計虧損。
- (ii) 合併儲備指 Sino Network Group Limited (「Sino Network」) 與本公司根據集團重組於2010年就換取 Express Education Limited 及於2011年就換取 Sino Network 的全部已發行股本而發行的股份的面值之間的差額。
- (iii) 股本儲備指於過往期間向股東轉讓於附屬公司的權益產生的注資及豁免應付一名股東的款項。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 31 December 2018 截至2018年12月31日止六個月

For the six months ended 31 December
截至2018年12月31日止六個月

		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
Net cash (used in) generated from operating activities	經營活動(所用)所得的現金淨額	(42,518)	11,271
Net cash generated from investing activities	投資活動所得的現金淨額	14,261	175,032
Net cash used in financing activities	融資活動所用的現金淨額	—	(168,083)
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(28,257)	18,220
Cash and cash equivalents at beginning of the period	期初的現金及現金等價物		
— represented by bank balances and cash	— 即銀行結餘及現金	42,709	16,284
— included in disposal group held for sale	— 計入持作出售的出售組合	—	1,426
Effects of exchange rate changes	匯率變動影響	(62)	94
Cash and cash equivalents at end of the period, represented by bank balances and cash	期終的現金及現金等價物，即銀行結餘及現金	14,390	36,024

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 January 2011 and continued in Bermuda on 7 May 2015 (Bermuda time). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is located at Rooms 1006–7, 10/F., China United Centre, 28 Marble Road, North Point, Hong Kong. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) since 4 July 2011.

The Company acts as an investment holding company while its principal subsidiaries are principally engaged in the provision of private educational services, investment in securities, property investments and money lending business.

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

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

1. 一般資料

本公司於2011年1月26日於開曼群島註冊成立及於2015年5月7日（百慕達時間）於百慕達存續為一家獲豁免之有限公司。本公司的註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，而其於香港的主要營業地點為香港北角馬寶道28號華匯中心10樓1006–7室。其股份自2011年7月4日已於香港聯合交易所有限公司（「聯交所」）主板上市。

本公司為一間投資控股公司，而其主要附屬公司主要從事提供私人教育服務、投資證券、物業投資及借貸業務。

簡明綜合財務報表以本公司的功能貨幣港元（「港元」）呈列。

2. 編製基準

簡明綜合財務報表乃根據聯交所證券上市規則（「上市規則」）附錄16的適用披露規定及香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period.

The accounting policies used in the condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 30 June 2018 (“2018 Annual Financial Statements”). In addition, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA effective for annual periods beginning on or after 1 January 2018.

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
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 HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the adoption of the above new and amendments to HKFRSs in the current period has had no material impact on the amounts reported and/or on the disclosures set out in the condensed consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則 （「香港財務報告準則」）

簡明綜合財務報表已按歷史成本基準編製（惟於各報告期末按公平值計量的若干金融工具除外）。

簡明綜合財務報表所採用的會計政策與本集團截至2018年6月30日止年度的年度財務報表（「2018年度財務報表」）所採用者一致。此外，本集團已首次應用下列由香港會計師公會頒佈的於2018年1月1日或之後開始的年度期間生效的新訂及經修訂香港財務報告準則。

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	客戶合約收入及相關修訂
香港（國際財務報告 詮釋委員會）— 詮釋第22號	外幣交易及預付代價
香港財務報告準則 第2號的修訂	以股權為基礎的支付交易 的分類及計量
香港財務報告準則 第4號的修訂	與香港財務報告準則 第4號保險合約一併 應用的香港財務報告 準則第9號金融工具
香港會計準則 第28號的修訂	作為2014年至2016年週 期香港財務報告準則之 年度改進之一部分
香港會計準則 第40號的修訂	轉讓投資物業

除下文所述者外，於本期間採納上述新訂及經修訂香港財務報告準則對所呈報金額及／或簡明綜合財務報表所載之披露並無重大影響。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Adoption of HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and expected credit loss (“ECL”) for financial assets.

In accordance with the transition provisions in HKFRS 9, comparative figures have not been restated. The reclassification is therefore not reflected as of 30 June 2018, but reflected on 1 July 2018 in the condensed consolidated statement of financial position.

The Group has elected to classify all equity investments of the Group which were previously classified as available-for-sale investments into financial assets at fair value through other comprehensive income (“FVTOCI”) on 1 July 2018 as these investments are held for long-term strategic investments that are not expected to be sold in the short term.

Cumulative fair value loss of approximately HK\$2,332,000 and impairment loss previously recognised in profit or loss of approximately HK\$23,771,000 were reclassified from investment revaluation reserve and accumulated losses respectively to financial assets measured at fair value through other comprehensive income reserve upon remeasurement on 1 July 2018. There is no longer any reclassification of accumulated amounts from the reserve to profit or loss upon the disposal of these investments. Other than the change in the classification of available-for-sale investments, the classification of other financial assets and liabilities remains unchanged.

3. 應用新訂及經修訂香港財務報告準則 （「香港財務報告準則」）（續）

採納香港財務報告準則第9號金融工具

香港財務報告準則第9號就金融資產、金融負債、一般對沖會計及金融資產預期信貸虧損（「預期信貸虧損」）的分類及計量引入新規定。

根據香港財務報告準則第9號之過渡性條文，並無重列比較數字，故截至2018年6月30日並未反映重新分類，惟於2018年7月1日於簡明綜合財務狀況表內反映。

於2018年7月1日，本集團選擇將先前分類作可供出售投資之本集團所有股權投資分類為按公平值計入其他全面收益（「按公平值計入其他全面收益」）之金融資產，原因為該等投資乃持作長期策略投資並預期不會於短期內出售。

於2018年7月1日，累計公平值虧損約2,332,000港元及之前於損益確認之減值虧損約23,771,000港元重新計量時分別由投資重估儲備及累計虧損重新分類至按公平值計入其他全面收益之金融資產儲備。於出售該等投資時不再有任何累計金額由儲備重新分類至損益。除可供出售投資的分類改變外，其他金融資產及負債的分類保持不變。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Adoption of HKFRS 9 Financial Instruments (Continued)

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS9 (including trade and other receivables, promissory note receivable and loan receivables). 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. Assessment are done based on both quantitative and qualitative information combined with current conditions and forward-looking analysis. The Group evaluates the financial instruments on a collective basis, taking into account the instrument type, maturity date, and other relevant information with reference to the default rates of the counter parties of the instruments.

For financial assets at amortised cost, 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 recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 應用新訂及經修訂香港財務報告準則 （「香港財務報告準則」）（續）

採納香港財務報告準則第9號金融工具（續）

預期信貸虧損模式項下的減值

本集團就受限於香港財務報告準則第9號項下減值的金融資產（包括貿易及其他應收款項、應收承兌票據及應收貸款）確認預期信貸虧損的虧損撥備。預期信貸虧損金額會於各報告日期進行更新，以反映自首次確認以來的信貸風險變動。

全期預期信貸虧損指於相關工具的預期年期內發生所有可能違約事件而導致的預期信貸虧損。反之，12個月的預期信貸虧損（「12個月預期信貸虧損」）則指預期可能於報告日期後12個月內發生違約事件而導致部分全期預期信貸虧損。評估乃根據定量及定性資料，再結合當前情況及前瞻性分析進行。本集團會考慮金融工具類別、到期日及其他相關資料，參考金融工具交易訂約方之違約比率，從而對金融工具進行集體評估。

就按攤銷成本計量之金融資產而言，本集團會計量相等於12個月預期信貸虧損之虧損撥備，除非信貸風險自首次確認以來顯著增加，本集團則會確認全期預期信貸虧損。評估應否確認為全期預期信貸虧損，乃根據自首次確認以來發生之違約可能性或風險是否顯著增加而定。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Adoption of HKFRS 9 Financial Instruments (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expect to receive, discounted at the discount rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial assets unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in equity instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for other financial instruments by adjusting their carrying amounts, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1 July 2018, the Directors reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9.

3. 應用新訂及經修訂香港財務報告準則 ([香港財務報告準則]) (續)

採納香港財務報告準則第9號金融工具 (續)

計量及確認預期信貸虧損

預期信貸虧損的計量乃指違約概率、違約虧損程度(即倘違約虧損的程度)及違約風險暴露的函數。評估違約概率及違約虧損程度乃基於歷史數據按前瞻性資料作出調整。

一般而言，預期信貸虧損乃估計為本集團根據合約應收所有合約現金流量與本集團預期將收回的所有現金流量之間的差額，並按首次確認時釐定的貼現率作出貼現。

利息收入按金融資產賬面總值計算，倘金融資產出現信貸減值，利息收入則按金融資產攤銷成本計算。

除按公平值計入其他全面收益計量的權益工具投資外，本集團通過調整其賬面金額於損益內確認其他金融工具的減值收益或虧損，惟貿易應收款項的相應調整通過虧損撥備賬確認。

於2018年7月1日，董事根據香港財務報告準則第9號的規定，在避免花費太多成本或精力的前提下，使用合理且可靠的資料，審閱及評估本集團的現有金融資產是否需要作出減值。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Adoption of HKFRS 15 Revenue from Contracts with Customers and the related Amendments

The Group's accounting policies in relation to its contracts with customers were changed to comply with the requirements of HKFRS 15.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 July 2018. In accordance with the transition provisions in HKFRS 15, comparative figures have not been restated. The Group has elected to apply this standard retrospectively only to contracts that are not completed at 1 July 2018.

As at 1 July 2018, deferred income amounting to approximately HK\$10,851,000 in respect of sales contracts with customers were reclassified to contract liabilities. The adoption of HKFRS 15 has had no material impact on the Group's accumulated losses as at 1 July 2018.

The Group has not early applied the new and revised standards and amendments to HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of their impact on the Group's results of operations and financial position.

3. 應用新訂及經修訂香港財務報告準則 （「香港財務報告準則」）（續）

採納香港財務報告準則第15號客戶合約收入及相關修訂

本集團已更改其客戶合約相關會計政策，以符合香港財務報告準則第15號的規定。

本集團已追溯應用香港財務報告準則第15號，而首次應用此準則的累計影響於首次應用日期（2018年7月1日）確認。根據香港財務報告準則第15號的過渡性條文，比較數字未經重列。本集團已選擇僅對於2018年7月1日尚未完成的合約追溯應用此準則。

於2018年7月1日，就與客戶的銷售合約而言，遞延收入約10,851,000港元已重新分類為合約負債。採納香港財務報告準則第15號對本集團於2018年7月1日的累計虧損並無重大影響。

本集團尚未提早應用已頒佈但尚未生效的新訂及經修訂香港財務報告準則。本集團正在評估其對本集團經營業績及財務狀況的影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

4. REVENUE AND SEGMENT INFORMATION

The Group's operating and reporting segments have been identified on the basis of internal management reports prepared in accordance with the accounting policies conform to HKFRSs, that are regularly reviewed by the executive Directors, being the chief operating decision maker ("CODM") of the Group, in order to allocate resources to segments and to assess their performances.

The Group's operations have been organised based on four operating divisions as described below. Similarly, the information reported to the CODM is also prepared on such basis. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

- Provision of private educational services – secondary tutoring services, primary tutoring services, skill courses and test preparation courses, franchising income, English language training and test preparation courses and dance tuition services
- Investment in securities – trading of securities
- Property investments – investments of properties for rental income and capital appreciation
- Money lending – providing loans as money lender

Other operating segments which do not meet the quantitative thresholds prescribed by HKFRS 8 for determining reportable segments are combined as "other segments".

4. 收入及分部資料

本集團的經營及報告分部已根據符合香港財務報告準則的會計政策編製的內部管理報告基準予以識別，有關報告由作為本集團的首席經營決策者（「首席經營決策者」）的執行董事定期審閱以向分部分配資源及評估其表現。

本集團的經營已按於下文所述的四個經營分部予以組成。同時，向首席經營決策者報告的資料亦已根據有關基準編製。在達致本集團可報告分部時，並無綜合首席經營決策者所識別的經營分部。

具體而言，本集團的可報告及經營分部如下：

- 提供私人教育服務 – 中學補習服務、小學輔導服務、展藝課程及應試課程、特許經營收入、英語培訓及應試課程以及舞蹈教學服務
- 投資證券 – 買賣證券
- 物業投資 – 投資物業以賺取租金收入及資本增值
- 借貸 – 作為貸款人提供貸款

未符合香港財務報告準則第8號所載有關釐定可報告分部的量化標準的其他經營分部則合併為「其他分部」。

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For the six months ended 31 December 2018 截至2018年12月31日止六個月

4. REVENUE AND SEGMENT INFORMATION 4. 收入及分部資料 (續) (Continued)

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the six months ended 31 December 2018

(a) 分部收入及業績

本集團按經營及可報告分部分類的收入及業績分析如下：

截至2018年12月31日止六個月

		Provision of educational services 提供私人 教育服務 HK\$'000 千港元	Investment in securities 投資證券 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Money lending 借貸 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue	分部收入	54,911	-	-	2,157	-	57,068
Segment results	分部業績	(20,748)	(19,462)	-	1,992	-	(38,218)
Loss on disposal of financial assets at FVTOCI	出售按公平值計入 其他全面收益之 金融資產之虧損						(48)
Share of results of joint ventures	應佔合營公司業績						(325)
Unallocated corporate income	未分配公司收入						2,596
Unallocated corporate expenses	未分配公司開支						(9,238)
Loss before tax	除稅前虧損						(45,233)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

4. REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Segment revenue and results (Continued)

For the six months ended 31 December 2017

		Provision of educational services 提供私人 教育服務 HK\$'000 千港元	Investment in securities 投資證券 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Money lending 借貸 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue	分部收入	51,037	–	570	1,465	–	53,072
Segment results	分部業績	(14,973)	30,410	431	1,397	(2)	17,263
Loss on disposal of available-for-sale investments	出售可供銷售投資 之虧損						(3,053)
Gain on disposal of subsidiaries	出售附屬公司的收益						13,847
Finance costs	財務費用						(3,205)
Share of results of joint ventures	應佔合營公司業績						(539)
Share of results of associates	應佔聯營公司業績						(11,314)
Unallocated corporate income	未分配公司收入						2,484
Unallocated corporate expenses	未分配公司開支						(11,265)
Profit before tax	除稅前溢利						4,218

The CODM assesses segment results using a measure of operating profit whereby certain items are not included in arriving at the segment results of the operating segments (i.e. loss on disposal of financial assets at FVTOCI and available-for-sale investments, gain on disposal of subsidiaries, finance costs, share of results of joint ventures and associates and unallocated corporate income and expenses).

4. 收入及分部資料 (續)

(a) 分部收入及業績 (續)

截至2017年12月31日止六個月

首席經營決策者以經營溢利的計量來評估分部業績，當中若干項目並未包括在達致經營分部的分部業績內，即出售按公平值計入其他全面收益之金融資產及可供銷售投資之虧損、出售附屬公司的收益、財務費用、應佔合營公司及聯營公司業績以及未分配公司收入及開支。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

4. REVENUE AND SEGMENT INFORMATION

(Continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

As at 31 December 2018

4. 收入及分部資料 (續)

(b) 分部資產及負債

本集團按經營及可報告分部分類的資產及負債分析如下：

於2018年12月31日

		Provision of educational services 提供私人 教育服務 HK\$'000 千港元	Investment in securities 投資證券 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Money lending 借貸 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Assets	資產						
Segment assets	分部資產	71,937	73,095	-	41,318	-	186,350
Unallocated assets	未分配資產						
Bank balances and cash	銀行結餘及現金						14,029
Promissory note receivable	應收承兌票據						43,000
Interest in a joint venture	於合營公司的權益						5,096
Financial assets at FVTOCI	按公平值計入其他 全面收益之 金融資產						16,114
Other corporate assets	其他公司資產						4,396
							<u>268,985</u>
Liabilities	負債						
Segment liabilities	分部負債	24,828	663	-	1	-	25,492
Unallocated liabilities	未分配負債						
Current tax liabilities	即期稅項負債						26
Deferred tax liabilities	遞延稅項負債						153
Other corporate liabilities	其他公司負債						328
							<u>25,999</u>

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

4. REVENUE AND SEGMENT INFORMATION

(Continued)

4. 收入及分部資料 (續)

(b) Segment assets and liabilities (Continued)

As at 30 June 2018

(b) 分部資產及負債 (續)

於2018年6月30日

		Provision of educational services 提供私人 教育服務 HK\$'000 千港元	Investment in securities 投資證券 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Money lending 借貸 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 總計 HK\$'000 千港元 (Audited) (經審核)
Assets	資產						
Segment assets	分部資產	77,582	76,516	–	34,261	–	188,359
Unallocated assets	未分配資產						
Bank balances and cash	銀行結餘及現金						40,208
Promissory note receivable	應收承兌票據						48,000
Interest in a joint venture	於合營公司的權益						6,422
Available-for-sale investments	可供銷售投資						25,295
Other corporate assets	其他公司資產						7,778
							<u>316,062</u>
Liabilities	負債						
Segment liabilities	分部負債	27,149	–	–	50	–	27,199
Unallocated liabilities	未分配負債						
Current tax liabilities	即期稅項負債						13
Deferred tax liabilities	遞延稅項負債						169
Other corporate liabilities	其他公司負債						425
							<u>27,806</u>

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

4. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to the operating segments other than bank balances and cash (other than those included in the money lending segment), promissory note receivable, interest in a joint venture, financial assets at FVTOCI, available-for-sale investments and other corporate assets; and
- all liabilities are allocated to the operating segments other than current tax liabilities, deferred tax liabilities and other corporate liabilities.

4. 收入及分部資料 (續)

(b) 分部資產及負債 (續)

就監控分部表現及於分部之間分配資源的目的而言：

- 除銀行結餘及現金（計入借貸分部者除外）、應收承兌票據、於合營公司的權益、按公平值計入其他全面收益之金融資產、可供銷售投資及其他公司資產外，所有資產均分配至經營分部；及
- 除即期稅項負債、遞延稅項負債及其他公司負債外，所有負債均分配至經營分部。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

4. REVENUE AND SEGMENT INFORMATION

(Continued)

4. 收入及分部資料 (續)

(c) Other segment information

(c) 其他分部資料

		Provision of private educational services 提供私人 教育服務 HK\$'000 千港元	Investment in securities 投資證券 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Money lending 借貸 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 總計 HK\$'000 千港元 (Unaudited) (未經審核)
For the six months ended 31 December 2018	截至2018年12月31日 止六個月						
Capital additions	資本添置	(1,575)	(37)	–	–	(338)	(1,950)
Depreciation and amortisation	折舊及攤銷	(4,739)	(369)	–	–	(17)	(5,125)
Reversal of provision for long service payments	撥回長期服務金撥備	149	–	–	–	–	149
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產的公平值 變動	–	(18,729)	–	–	–	(18,729)
For the six months ended 31 December 2017	截至2017年12月31日 止六個月						
Capital additions	資本添置	(3,567)	(15)	–	–	–	(3,582)
Depreciation and amortisation	折舊及攤銷	(3,776)	(423)	–	–	–	(4,199)
Provision of long service payments	長期服務金撥備	(206)	–	–	–	–	(206)
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產的公平值 變動	–	31,186	–	–	–	31,186

The Group's assets, revenue and results for the period derived from activities located outside Hong Kong are less than 10% of the Group's total assets, revenue and results for the period.

本集團於本期間來自位於香港以外地區的業務的資產、收入及業績少於本集團於本期間的總資產、收入及業績的10%。

No individual customer accounted for over 10% of the Group's total revenue during both periods.

於兩個期間內，概無個別客戶佔本集團總收入超過10%。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

4. REVENUE AND SEGMENT INFORMATION 4. 收入及分部資料(續)

(Continued)

(d) Revenue from major services

(d) 主要服務收入

		For the six months ended 31 December 截至12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
Secondary tutoring services	中學補習服務	28,493	35,586
Primary tutoring services, skill courses and test preparation courses	小學輔導服務、展藝課程及 應試課程	9,489	7,599
Franchising income	特許經營收入	2,621	2,109
English language training and test preparation courses	英語培訓及應試課程	5,900	5,743
Dance tuition services	舞蹈教學服務	8,408	—
Rental income	租金收入	—	570
Loan interest income	貸款利息收入	2,157	1,465
Total revenue	總收入	57,068	53,072

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

5. OTHER INCOME, GAINS AND LOSSES

5. 其他收入、收益及虧損

		For the six months ended 31 December 截至12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
Interest income on	來自下列各項的利息收入		
– promissory note receivable	– 應收承兌票據	2,198	2,479
– unlisted convertible bonds	– 非上市可換股債券	396	–
– bank deposits	– 銀行存款	2	5
(Loss) gain on disposal of	出售以下各項的(虧損)收益		
– property, plant and equipment	– 物業、廠房及設備	(248)	(13)
– subsidiaries	– 附屬公司	–	13,847
– financial assets at FVTOCI	– 按公平值計入其他全面 收益之金融資產	(48)	–
Supporting services income	支援服務收入	223	198
Impairment loss on a loan receivable	應收貸款減值虧損	(150)	–
Others	其他	1,590	1,195
		3,963	17,711

6. FINANCE COSTS

6. 財務費用

		For the six months ended 31 December 截至12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
Interest expenses on bank borrowings	銀行借貸的利息開支	–	135
Effective interest expense on loan notes	貸款票據的實際利息開支	–	3,070
		–	3,205

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

7. (LOSS) PROFIT BEFORE TAX

(Loss) profit before tax has been arrived at after charging (crediting):

7. 除稅前(虧損)溢利

除稅前(虧損)溢利已扣除(計入)下列項目：

		For the six months ended 31 December 截至2018年12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
Directors' emoluments	董事酬金	716	2,134
Other staff costs	其他員工成本	23,463	17,358
Other staff's retirement benefit scheme contributions	其他員工的退休福利計劃供款	1,132	682
		25,311	20,174
Tutor contractor fee to a Director	向一名董事支付的導師承包費	—	(56)
Staff costs	員工成本	25,311	20,118
Write off of promissory note receivable	撇銷應收承兌票據	950	—
Reversal of provision for long service payments	撥回長期服務金撥備	(149)	—

Tutor contractor fee is calculated based on (i) certain percentage of revenue derived from secondary tutoring services and English language training and test preparation courses; and (ii) fixed hourly rate on primary tutoring services, skill courses and test preparation courses.

Operating lease payments represent the minimum lease payments under operating leases paid or payable to lessors which mainly are independent third parties.

導師承包費乃根據(i)來自中學補習服務以及英語培訓及應試課程收入的若干百分比；及(ii)小學輔導服務、展藝課程及應試課程之每小時固定收費計算。

經營租賃付款指根據經營租賃向出租人(主要為獨立第三方)已付或應付的最低租賃付款。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

8. INCOME TAX

8. 所得稅

		For the six months ended 31 December 截至12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅		
– Provision for the period	– 期內撥備	39	(10)
– Over-provision in respect of prior years	– 過往年度超額撥備	(48)	–
Deferred tax	遞延稅項	(16)	(1,364)
Total income tax (credit) expense recognised in profit or loss	於損益中確認之所得稅 (抵免)開支總額	(25)	(1,374)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

香港利得稅根據兩個期間的估計應課稅溢利按16.5%的稅率計算。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

9. (LOSS) EARNINGS PER SHARE

The calculations of the basic and diluted (loss) earnings per share attributable to owners of the Company for both periods are based on the following data:

9. 每股(虧損)盈利

本公司擁有人於兩個期間應佔之每股基本及攤薄(虧損)盈利乃根據以下數據計算：

		For the six months ended 31 December 截至2018年12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share ((Loss) profit for the period attributable to owners of the Company)	就計算每股基本及攤薄(虧損)盈利而言的(虧損)盈利(本公司擁有人應佔期間(虧損)溢利)	(45,248)	5,527
		Number of shares 股份數目	Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	就計算每股基本及攤薄(虧損)盈利而言之普通股加權平均數	547,570,880	518,568,973

No adjustment has been made in calculating the diluted loss per share amount presented for the Period as there were no dilutive potential ordinary shares in issue during the Period.

由於本期間並無已發行之潛在攤薄普通股，故於計算本期間呈列之每股攤薄虧損金額時並無作出調整。

The computation of diluted earnings per share for the six months ended 31 December 2017 did not assume the exercise of the Company's outstanding share options as the exercise price of those options are higher than the average market prices of Company's shares during the relevant period.

截至2017年12月31日止六個月之每股攤薄盈利之計算並未假設本公司尚未行使購股權獲行使，原因為該等購股權之行使價高於本公司股份於有關期間之平均市價。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018 (2017: nil).

10. 股息

董事會不建議就截至2018年12月31日止六個月支付中期股息(2017年：無)。

11. TRADE AND OTHER RECEIVABLES

11. 貿易及其他應收款項

		31 December 2018 2018年 12月31日 (Unaudited) (未經審核) HK\$'000 千港元	30 June 2018 2018年 6月30日 (Audited) (經審核) HK\$'000 千港元
Accrued revenue and trade receivables	應計收入及貿易應收賬款	835	1,004
Rental deposits	租金按金	13,992	14,016
Other deposits	其他按金	661	783
Prepayments	預付款項	971	1,577
Other receivables	其他應收款項	19,997	25,397
Less: Impairment loss on other receivables	減：其他應收款項減值虧損	(7,626)	(7,626)
		28,830	35,151
Less: Rental deposits (shown under non-current assets)	減：租金按金(列入非流動資產)	(7,567)	(7,954)
Trade and other receivables (shown under current assets)	貿易及其他應收款項(列入流動資產)	21,263	27,197

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

11. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of accrued revenue and trade receivables, presented based on the invoice date at the end of the reporting period which approximated the respective revenue recognition dates:

		31 December 2018 2018年 12月31日 (Unaudited) (未經審核) HK\$'000 千港元	30 June 2018 2018年 6月30日 (Audited) (經審核) HK\$'000 千港元
Accrued revenue not yet billed	尚未發出賬單的應計收入	—	483
Trade receivables:	貿易應收賬款：		
0–30 days	0至30日	701	238
31–60 days	31至60日	55	168
61–90 days	61至90日	5	21
Over 90 days	超過90日	74	94
		835	1,004

Included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately HK\$74,000 (30 June 2018: approximately HK\$94,000) which were past due as at the end of the reporting period for which the Group did not provide for impairment loss. The Group did not hold any collateral over these balances. The aging of these receivables was over 90 days (30 June 2018: over 90 days).

As at 31 December 2018 and 30 June 2018, accrued revenue and trade receivables primarily arose from the continuing franchise income of primary tutoring service to franchisees. The accrued revenue is not yet due as it is billed in arrears. The credit periods ranged from 30 days to 90 days. There is no credit period granted for tuition fee as they are normally received in advance.

11. 貿易及其他應收款項 (續)

以下為根據報告期末發票日期(其與各收入確認日期相若)呈列的應計收入及貿易應收賬款的賬齡分析：

本集團的貿易應收賬款結餘包括賬面總額約74,000港元(2018年6月30日：約94,000港元)的已於報告期末逾期而本集團並未對此作出減值虧損撥備的應收款項。本集團並無就該等結餘持有任何抵押品。該等應收款項的賬齡超過90日(2018年6月30日：超過90日)。

於2018年12月31日及2018年6月30日，應計收入及貿易應收賬款乃主要來自持續向加盟經營者授權小學輔導服務的特許經營收入。由於應計收入於期末發出賬單，故尚未到期。信貸期介乎30日至90日之間。由於通常預收學費，因此並無授出信貸期。

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簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

12. LOAN RECEIVABLES

Loan receivables 應收貸款
Less: Impairment loss 減：減值虧損

Loan receivables represent outstanding principal and interest arising from the money lending business of the Group. As at 31 December 2018 and 30 June 2018, all of the loan receivables are entered with counterparties with a maturity within the next twelve months, except for a loan receivable with a maturity in February 2018 with outstanding principal and interest as at 31 December 2018 in the aggregate amount of approximately HK\$7,643,000 (30 June 2018: approximately HK\$7,493,000) which has been past due and impaired by the Group during the reporting periods.

As at 31 December 2018, the loan receivables are interest-bearing at fixed rates mutually agreed between the contracting parties, ranging from 8.5% to 10% (30 June 2018: 8% to 10%) per annum. As at 31 December 2018 and 30 June 2018, all of the loan receivables were unsecured.

The Group seeks to maintain strict control over its loan receivables in order to minimise credit risk by reviewing the borrowers' and their guarantors' financial positions.

Except for the said loan receivable impaired, all loan receivables were neither past due nor impaired at the end of both reporting periods. Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

12. 應收貸款

31 December 2018 2018年 12月31日 (Unaudited) (未經審核) HK\$'000 千港元	30 June 2018 2018年 6月30日 (Audited) (經審核) HK\$'000 千港元
48,601	39,253
(7,643)	(7,493)
40,958	31,760

應收貸款指本集團借貸業務所產生之未償還本金及利息。於2018年12月31日及2018年6月30日，所有該等與訂約方訂立之應收貸款於未來十二個月內到期。除於2018年2月到期的應收貸款外，於2018年12月31日的未償還本金及利息合共約7,643,000港元（2018年6月30日：約7,493,000港元），於報告期內已逾期且本集團已作出減值撥備。

於2018年12月31日，應收貸款按訂約方共同協定介乎每年8.5%至10%（2018年6月30日：8%至10%）之固定利率計息。於2018年12月31日及2018年6月30日，所有應收貸款為無抵押。

本集團力求維持嚴格控制其應收貸款，透過審查借款人及其擔保人之財務狀況，以降低信貸風險。

除上述已減值之應收貸款外，所有應收貸款於兩個報告期末既未逾期亦無減值。既未逾期亦無減值之應收款項與近期並無違約記錄之客戶有關。

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For the six months ended 31 December 2018 截至2018年12月31日止六個月

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS 13. 按公平值計入損益之金融資產

		31 December 2018 2018年 12月31日 (Unaudited) (未經審核) HK\$'000 千港元	30 June 2018 2018年 6月30日 (Audited) (經審核) HK\$'000 千港元
Equity securities classified as held-for-trading	分類為持作買賣的股本證券		
– Listed equity securities in Hong Kong, at fair value (Note (i))	– 按公平值列賬的香港上市股本證券 (附註(i))	33,700	27,071
– Suspended listed equity securities in Hong Kong, at fair value (Note (ii))	– 按公平值列賬的香港暫停上市股本證券 (附註(ii))	30,200	38,100
Financial assets designated at fair value through profit or loss	指定按公平值計入損益的金融資產		
– Unlisted investment fund, at fair value	– 按公平值列賬的非上市投資基金	–	477
– Unlisted convertible bonds, at fair value (Note (iii))	– 按公平值列賬的非上市可換股債券 (附註(iii))	7,858	8,998
		71,758	74,646

Notes:

- (i) The amount represents equity securities listed in Hong Kong. The fair value of the investments are determined with reference to the quoted market bid prices in the Stock Exchange.
- (ii) The fair value of the suspended listed equity security represents the shares of Convoy Global Holdings Limited (a company listed on Main Board of the Stock Exchange with stock code: 1019), which was determined by the Directors with reference to valuation carried out by an independent qualified professional valuer.
- (iii) The unlisted convertible bonds were issued by Larry Jewelry International Company Limited (a company listed on GEM of the Stock Exchange with stock code: 8351). The convertible bonds is unsecured, bears interest at a fixed rate of 7.5% per annum and will be matured on the second anniversary of the first issue date (i.e. 4 September 2019).

附註：

- (i) 該款項指於香港上市的股本證券。投資之公平值乃經參考於聯交所報市場買入價後釐定。
- (ii) 暫停買賣上市股本證券之公平值指康宏環球控股有限公司(一間於聯交所主板上市的公司，股份代號：1019)之股份，其由董事經參考獨立合資格專業估值師進行之估值釐定。
- (iii) 非上市可換股債券乃由俊文寶石國際有限公司(一間於聯交所GEM上市的公司，股份代號：8351)發行。可換股債券乃無抵押，按7.5%固定年利率計息並於首個發行日期第二個週年日到期(即2019年9月4日)。

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簡明綜合財務報表附註

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14. OTHER PAYABLES AND ACCRUALS

14. 其他應付款項及應計費用

		31 December 2018 2018年 12月31日 (Unaudited) (未經審核) HK\$'000 千港元	30 June 2018 2018年 6月30日 (Audited) (經審核) HK\$'000 千港元
Other payables	其他應付款項	3,009	3,811
Accrued tutor contractor fee, salary and bonus and other accruals	應計導師承包費、薪金及花紅以及其他應計費用	7,239	5,827
		10,248	9,638

15. SHARE CAPITAL

15. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
<i>Authorised</i>	<i>法定</i>		
Ordinary shares of HK\$0.05 each At 1 July 2017, 30 June 2018 and 31 December 2018	於2017年7月1日、 2018年6月30日及 2018年12月31日 每股面值0.05港元的 普通股	6,000,000,000	300,000
<i>Issued and fully paid</i>	<i>已發行及繳足</i>		
Ordinary shares of HK\$0.05 each At 1 July 2017 (Audited), 30 June 2018 (Audited) and 31 December 2018 (Unaudited)	於2017年7月1日(經審 核)、2018年6月30日 (經審核)及2018年12月 31日(未經審核)每股面 值0.05港元的普通股	547,570,880	27,379

The issued shares of the Company rank *pari passu* in all respects.

本公司已發行股份於各方面均享有同等權益。

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For the six months ended 31 December 2018 截至2018年12月31日止六個月

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

16. 金融工具之公平值計量

根據經常性基準按公平值計量的本集團金融資產的公平值

下表載列於初始確認後以公平值計量的金融工具分析，其按照公平值可觀察程度分為一至三級。

- 第一級輸入數據為實體於計量日期就相同的資產或負債於活躍市場可取得的報價（未經調整）；
- 第二級輸入數據為不包括第一級報價的資產或負債的可直接或間接觀察的輸入數據；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

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16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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

16. 金融工具之公平值計量 (續)

根據經常性基準按公平值計量的本集團金融資產的公平值 (續)

		Level 1 第一級 (Unaudited) (未經審核) HK\$'000 千港元	Level 2 第二級 (Unaudited) (未經審核) HK\$'000 千港元	Level 3 第三級 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
As at 31 December 2018	於2018年12月31日				
Financial assets at FVTOCI	按公平值計入其他全面 收益之金融資產				
– Unlisted equity interest	– 非上市股本權益	–	–	16,114	16,114
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產				
Included in equity securities classified as held-for-trading:	計入分類為持作買賣的 股本證券：				
– Listed equity securities excluding suspended shares	– 上市股本證券 (不包括暫停 買賣股份)	33,700	–	–	33,700
– Suspended shares	– 暫停買賣股份	–	–	30,200	30,200
Included in financial assets designated at fair value through profit or loss:	計入指定按公平值計入 損益之金融資產：				
– Unlisted convertible bonds	– 非上市可換股債券	–	–	7,858	7,858
		33,700	–	54,172	87,872

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For the six months ended 31 December 2018 截至2018年12月31日止六個月

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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

16. 金融工具之公平值計量 (續)

根據經常性基準按公平值計量的本集團金融資產的公平值 (續)

		Level 1 第一級 (Audited) HK\$'000 千港元	Level 2 第二級 (Audited) HK\$'000 千港元	Level 3 第三級 (Audited) HK\$'000 千港元	Total 總計 (Audited) HK\$'000 千港元
As at 30 June 2018	於2018年6月30日				
Available-for-sale investments	可供銷售投資				
– Listed equity investments	– 上市股本投資	9,181	–	–	9,181
– Unlisted equity interest	– 非上市股本權益	–	–	16,114	16,114
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產				
Included in equity securities classified as held-for-trading:	計入分類為持作買賣的股本證券：				
– Listed equity securities excluding suspended shares	– 上市股本證券（不包括暫停買賣股份）	27,071	–	–	27,071
– Suspended shares	– 暫停買賣股份	–	–	38,100	38,100
Included in financial assets designated at fair value through profit or loss:	計入指定按公平值計入損益之金融資產：				
– Unlisted investment fund	– 非上市投資基金	–	477	–	477
– Unlisted convertible bonds	– 非上市可換股債券	–	–	8,998	8,998
		36,252	477	63,212	99,941

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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

There were no transfers between Level 1 and 2 and no transfers into or out of Level 3 during the current period. During the year ended 30 June 2018, there was a transfer of fair value measurement from Level 1 into Level 3 for an equity security classified as held-for-trading. The details of movements in fair value measurements in Level 3 are as follows:

Reconciliation of Level 3 fair value measurements

		Financial asset at fair value through profit or loss 按公平值 計入損益的 金融資產 HK\$'000 千港元	Financial assets at FVTOCI 按公平值計入 其他全面收益 之金融資產 HK\$'000 千港元	Available- for-sale investments 可供銷售投資 HK\$'000 千港元
At 1 July 2018	於2018年7月1日	47,098	–	16,114
Adjustment on adoption of HKFRS 9	就採納香港財務報告準則 第9號作出的調整	–	16,114	(16,114)
Restated balance at 1 July 2018	於2018年7月1日 經重列的結餘	47,098	16,114	–
Repayment	還款	(600)	–	–
Change in fair value recognised in profit or loss (included in change in fair value of financial assets at fair value through profit or loss)	於損益確認之公平值變動 (計入按公平值計入損益之 金融資產的公平值變動)	(8,440)	–	–
At 31 December 2018	於2018年12月31日	38,058	16,114	–

The Group did not have any financial liabilities measured at fair value as at 31 December 2018 and 30 June 2018.

16. 金融工具之公平值計量 (續)

根據經常性基準按公平值計量的本集團金融資產的公平值 (續)

於本期間，第一級與第二級之間並無任何轉移，亦無轉入或轉出第三級。於截至2018年6月30日止年度，分類為持作買賣的股本證券的公平值計量由第一級轉入第三級。第三級公平值計量的變動詳情如下：

第三級公平值計量的對賬

	Financial asset at fair value through profit or loss 按公平值 計入損益的 金融資產 HK\$'000 千港元	Financial assets at FVTOCI 按公平值計入 其他全面收益 之金融資產 HK\$'000 千港元	Available- for-sale investments 可供銷售投資 HK\$'000 千港元
At 1 July 2018	47,098	–	16,114
Adjustment on adoption of HKFRS 9	–	16,114	(16,114)
Restated balance at 1 July 2018	47,098	16,114	–
Repayment	(600)	–	–
Change in fair value recognised in profit or loss (included in change in fair value of financial assets at fair value through profit or loss)	(8,440)	–	–
At 31 December 2018	38,058	16,114	–

本集團於2018年12月31日及2018年6月30日並無任何按公平值計量之金融負債。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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

There was no change in valuation techniques during the Period. The assumptions of the unobservable inputs used in Level 3 fair value measurements at the end of the reporting period were not significantly different from those used in the 2018 Annual Financial Statements. The Directors consider that the impact of change in key unobservable inputs in Level 3 fair value measurements in the current period has no significant difference as compared to those in the 2018 Annual Financial Statements.

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements for the current reporting period approximate their fair values.

17. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for the following future minimum lease payments under non-cancellable operating leases to mainly independent third parties in respect of rented premises which fall due as follows:

		31 December 2018 2018年 12月31日 (Unaudited) (未經審核) HK\$'000 千港元	30 June 2018 2018年 6月30日 (Audited) (經審核) HK\$'000 千港元
Within one year	一年內	31,519	38,159
In the second to fifth years inclusive	第二年至第五年(首尾兩年 包括在內)	21,347	48,816
		52,866	86,975

Leases are negotiated and rentals are fixed for lease terms of one to four years.

16. 金融工具之公平值計量(續)

根據經常性基準按公平值計量的本集團金融資產的公平值(續)

於本期間，估值法並無變動。於報告期末第三級公平值計量所採用不可觀察輸入數據的假設並未明顯有別於2018年度財務報表所採用者。董事認為，本期間第三級公平值計量的主要不可觀察輸入數據變動之影響與2018年度財務報表所採用者並無明顯差別。

並非根據經常性基準按公平值計量之本集團金融資產及負債之公平值

董事認為按攤銷成本於本報告期內的簡明綜合財務報表記賬之金融資產及金融負債的賬面值與其公平值相若。

17. 經營租賃承擔

本集團為承租人

於報告期末，根據不可撤銷經營租賃，本集團就有關租賃物業向主要獨立第三方承擔的未來最低租金到期如下：

租約經磋商後為固定租金，租期則為一至四年。

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簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

18. COMMITMENTS

As at 31 December 2018 and 30 June 2018, there was no capital expenditure contracted for but not provided in the condensed consolidated financial statements.

18. 承擔

於2018年12月31日及2018年6月30日，概無已訂約但未於簡明綜合財務報表內撥備的任何資本開支。

19. RELATED PARTY TRANSACTIONS

(a) Parties are considered to be related if one party has, directly or indirectly, the ability to control or jointly control or has significant influence over the other party in making financial and operating decisions. The management is of the view that the following companies/persons were related parties that had significant transactions or balances with the Group during the period.

19. 關連方交易

(a) 倘一方有能力在作出財務及經營決策時直接或間接控制其他方或共同控制或對其他方有重大影響，則該方被認為是其他方的關連方。管理層認為，以下公司／人士為本期間內與本集團進行重大交易或有結餘的關連方。

Name of related party 關連方姓名／名稱	Relationship with the Group 與本集團的關係
Sun Ace (HK) Limited 新亞(香港)有限公司	A former indirect wholly-owned subsidiary of Hang Tai Yue Group Holdings Limited (formerly known as Interactive Entertainment China Cultural Technology Investments Limited), which was in turn a former associate of the Group up to 15 June 2018 恆泰裕集團控股有限公司(前稱互娛中國文化科技投資有限公司，直至2018年6月15日為本集團的前聯營公司)之前間接全資附屬公司
Mr. Lee Wai Lok, Ignatious ("Mr. Lee") 李偉樂先生(「李先生」)	A former Director who resigned on 9 November 2017 and a former director of certain subsidiaries of the Group up to 15 June 2018 前任董事，彼已於2017年11月9日辭任且直至2018年6月15日為本集團若干附屬公司的前任董事
Progress Ever Limited 恆茂有限公司	100% equity interest held by Mr. Chau Kai Man, a director of a subsidiary of the Group 周啟文先生(本集團一間附屬公司的董事)持有100%股權

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

19. RELATED PARTY TRANSACTIONS (Continued)

- (b) Save as the balances with related parties as disclosed in the condensed consolidated statement of financial position, the Group entered into the following transactions with related parties during the period:

19. 關連方交易 (續)

- (b) 除簡明綜合財務狀況表所披露與關連方的結餘外，本集團於本期間內與關連方訂立以下交易：

		For the six months ended 31 December 截至12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
Rental expenses to:	向以下公司支付的租金開支：		
– Sun Ace (HK) Limited	– 新亞(香港)有限公司	–	450
Tutor contractor fee to:	向以下人士支付的導師承包費：		
– Mr. Lee	– 李先生	–	90
Loan interest income from:	來自以下公司的貸款利息收入：		
– Progress Ever Limited	– 恆茂有限公司	–	81

- (c) Upon resignation of Mr. Lee as a Director on 9 November 2017 and as a director of certain subsidiaries of the Group on 15 June 2018, the Group considered Mr. Lee has discontinued to be a related party of the Group.

- (c) 在李先生於2017年11月9日辭任董事及於2018年6月15日辭任本集團若干附屬公司的董事後，本集團認為李先生不再為本集團的關聯方。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 31 December 2018 截至2018年12月31日止六個月

19. RELATED PARTY TRANSACTIONS (Continued)

- (d) The key management personnel includes Directors and chief executive and the compensation paid to them is disclosed below:

19. 關連方交易 (續)

- (d) 主要管理人員包括董事及主要行政人員，而向彼等支付的酬金於下文披露：

		For the six months ended 31 December 截至12月31日止六個月	
		2018 (Unaudited) (未經審核) HK\$'000 千港元	2017 (Unaudited) (未經審核) HK\$'000 千港元
Basic salaries, bonus and allowance	基本薪金、花紅及津貼	516	1,771
Tutor contractor fee	導師承包費	—	56
Retirement benefit scheme contributions	退休福利計劃供款	20	18
		<u>536</u>	<u>1,845</u>



Management Discussion and Analysis

管理層討論及分析

During the Period, the Group continued to face severe market competition with operating environment of the educational services industry under fierce pressure. The number of students attending the Diploma of Secondary Education Examination (“DSE”) continued to decline following the new 3-3-4 academic structure. Coupled with the intense competition with competitors in the market that posed difficulty to retain quality tutors and professionals, the Group was facing a difficult period over the past six months of 2018.

Under such circumstances, the Group strived to enhance its service quality, as well as to recruit and retain quality tutors. By securing the quality of its services and tutors, the Group managed to focus on its core business and provided better services for existing and newly enrolled students. At the same time, the Group adopted prudent approach to sustain its business development, and hence, maintained its market position as one of the leading private tuition providers in Hong Kong.

BUSINESS REVIEW

Provision of private educational services

Secondary Tutoring Services

During the Period, the declining number of secondary students in Hong Kong, increasing trend of studying abroad, the shift from DSE to other assessment systems, and the intense competition with the competitors in the market, have imposed huge impact to the Group's secondary tutoring service business segment. In view of such negative market sentiment, the Group utilised its existing resources to sustain its business growth. Internally, the Group facilitated effective communication with its tutors in order to enhance teaching quality and secure a long-term relationship with its tutors. Externally, the Group upgraded its service quality to enhance student retention rate. As a result, the Group managed to provide better services, and hence, strengthened its overall market competitiveness. During the Period, the Group recorded revenue of approximately HK\$28.49 million, representing a decrease of approximately 19.93% compared to the corresponding period in 2017.

於本期間內，本集團因教育服務行業經營環境壓力巨大而持續面臨激烈的市場競爭。於實行新3-3-4學制之後，參加中學文憑考試（「中學文憑考試」）的學生人數持續下跌。加上與市場上競爭對手的激烈競爭導致難以挽留優秀導師及專業人才，本集團於2018年過往六個月身處艱難時期。

於此情況下，本集團致力提升服務質素，以及招聘及挽留優秀導師。透過確保服務及導師的質素，本集團專注於其核心業務，並為現有及新入讀學生提供更佳服務。同時，本集團採取審慎態度維持其業務發展，從而維持其作為香港其中一個領先的私人補習服務提供者的市場地位。

業務回顧

提供私人教育服務

中學補習服務

於本期間內，香港中學生人數不斷下降，出國留學呈上升趨勢，從中學文憑考試至其他評估制度的轉變以及與市場上競爭對手的激烈競爭，對本集團的中學補習服務業務分部產生重大影響。鑒於市場信心不佳，本集團利用其現有資源以維持其業務增長。於內部方面，本集團促進與其導師的有效溝通，以提高教學質素及確保與導師維持長期的合作關係。於外部方面，本集團改善服務質素以提高學生保留率。因此，本集團致力提供更佳服務，並由此加強其整體市場競爭力。於本期間內，本集團錄得收入約28,490,000港元，較2017年同期下降約19.93%。

Management Discussion and Analysis

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The following table sets forth the number of course enrolments, the number of tutors and the average course fees of each category of secondary tutoring courses for the following periods:

下表載述於以下期間各類中學補習課程的課程報名人次、導師人數及平均學費：

		For the six months ended 31 December 截至12月31日止六個月	
		2018	2017
Number of course enrolments (<i>in thousands</i>)	課程報名人次(以千計)		
Regular courses	常規課程	41	50
Intensive courses	精讀班	1	1
Summer courses	暑期課程	12	15
Special courses	專科課程	2	4
Number of tutors (<i>Note 1</i>)	導師人數(附註1)		
Regular courses	常規課程	31	38
Intensive courses	精讀班	16	15
Summer courses	暑期課程	29	37
Special courses	專科課程	11	16
Average course fees (<i>HK\$</i>) (<i>Note 2</i>)	平均學費(港元)(附註2)		
Regular courses	常規課程	525	524
Intensive courses	精讀班	530	518
Summer courses	暑期課程	458	454
Special courses	專科課程	253	118

Note 1: Tutors may provide secondary tutoring services for all or certain categories of courses. Thus, the sum of the number of tutors for the provision of regular courses, intensive courses, summer courses and special courses is not equal to the total number of tutors for the periods.

附註1：導師可為所有或若干類別的課程提供中學補習服務。因此，本期間有關提供常規課程、精讀班、暑期課程及專科課程的導師人數總和，並不等於導師總人數。

Note 2: Being revenue divided by course enrolments for the periods.

附註2：即收入除以本期間課程報名人次。

As of 31 December 2018, the Group had 8 learning centres operated under the brand of “Modern Education” 現代教育。

於2018年12月31日，本集團有8個以「現代教育」品牌營運的教育中心。



Management Discussion and Analysis

管理層討論及分析

English Language Training and Test Preparation Courses

The Group continued to provide professional English language training and test preparation courses for the International English Language Testing System (IELTS) and Test of English for International Communication (TOEIC). During the Period, the Group strengthened the cooperation with its existing agents for referring students to enrol these courses. Coupled with the Group's efforts to improve the course contents and keep abreast of the updated assessment systems, revenue generated from this business segment sustained at approximately HK\$5.90 million, representing a slight increase of approximately 2.75% as compared with approximately HK\$5.74 million recorded in the corresponding period of last year. In view of the consistent market demand for such quality English courses, the Group will further secure its reputation and expand its English education services which focus on professional English writing, speaking, reading and comprehension skills to target students as well as the professional work force in Hong Kong.

Primary Tutoring Services, Skill Courses and Test Preparation Courses

The Group's decision to devote efforts on primary education has been proven success again during the Period. As of 31 December 2018, there were 7 directly-owned education centres and 33 franchised centres operated under the brand of "Modern Bachelor Education" 現代小學士. Two new franchised centres are underway for operation in the first half of 2019 and five new franchised centers are expected to be operated in the second half of 2019. During the Period, there were approximately 7,100 (2017: approximately 6,200) course enrolments recorded from directly-owned learning centres; and total revenue contributed by the franchised centres to the Group was approximately HK\$2.62 million, representing an increase of approximately 24.26% as compared to approximately HK\$2.11 million for the same period of previous year. With the constant market needs to train children's competitiveness over peers, the industry evolved from providing traditional homework coaching to sophisticated skill courses. Market competition was keen, and therefore, the Group flexibly developed various kinds of skill courses and preparation courses to expand market segments. Apart from improving the course contents, the Group also looked for talented franchisees to join. The Group is in the best position to grasp any market opportunities and capture a bigger share in the market.

英語培訓及應試課程

本集團繼續提供國際英語語言測試系統(雅思)及國際交流英語考試(托業)的專業英語語言培訓及應試課程。於本期間內，本集團加強與其現有代理的合作，以推介學生報讀該等課程。加上本集團努力改進課程內容及跟上最新的評估系統，此業務分部的收入維持在約5,900,000港元，較去年同期錄得的約5,740,000港元稍微增加約2.75%。由於對該等優質英語課程的持續市場需求，本集團將進一步確保其聲譽並擴展英語教育服務，著重目標學生及香港專業工作人員的專業英語寫作、口語、閱讀及理解能力。

小學輔導服務、展藝課程及應試課程

於本期間內，本集團致力投放於基礎教育的決定再次證明成功。於2018年12月31日，「現代小學士」品牌旗下有7個直營教育中心及33個特許經營中心。於2019年上半年，2個新特許經營中心正在籌備營運，並預期5個新特許經營中心將於2019年下半年開始營運。於本期間內，本集團錄得直營教育中心的課程報名人次約7,100名(2017年：約6,200名)；而特許經營中心所貢獻之總收入約2,620,000港元，較去年同期約2,110,000港元增加約24.26%。隨着持續的市場需求以培育兒童於同輩中的競爭力，行業由提供傳統家課輔導演變為複雜的技能課程。市場競爭激烈，因此，本集團靈活制定各種技能課程及預備課程，藉以擴大市場份額。除了改進課程內容外，本集團亦物色有能力的加盟經營者加盟。本集團處於有利位置以把握任何市場機會及佔據更大市場份額。

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管理層討論及分析

Dance Tuition Services

The Group started to offer dance classes through its newly acquired subsidiary Wind Fly Dragon Int'l Limited from 30 April 2018. During the Period, revenue recorded from this segment was approximately HK\$8.41 million. With 7 professional dancing colleges under the brand of Shelly Lo Jazz & Ballet School, the Group provided a wide range of courses including ballet, jazz dance, yoga, Latin dance and belly dance. The Group is committed to provide professional dance courses by its certified and highly-recognised dance coaches. During the Period, the Group looked for cooperation expansion with primary schools and kindergartens. In addition, the Group was working on crossover programs among different business segments, while synergy is yet to realise, the Group is optimistic towards our goal.

Investments

Assets Investments

Financial assets at fair value through profit or loss ("FVTPL")

The Group has further diversified its investment portfolio and allocated more resources in securities investment during the Period. The Group acquired listed securities in 9 listed companies in Hong Kong and disposed of several listed securities in its investment portfolio during the Period. However, the stock market in Hong Kong was volatile throughout the past six months, Hang Seng Index dropped significantly from 28,545.57 points on 3 July 2018 to 25,845.70 points on 31 December 2018. As a result, the Group recorded a loss on change in fair value of financial assets at FVTPL during the Period (as detailed below). The Group will closely monitor the movement of the Hong Kong stock market and adopt a prudent investment strategy to structure its investment portfolio. As at 31 December 2018, the Group had financial assets at FVTPL of approximately HK\$71.76 million.

舞蹈教學服務

本集團自2018年4月30日起開始透過新收購的附屬公司千里飛龍國際有限公司提供舞蹈課程。於本期間內，該分部錄得收入約8,410,000港元。憑藉羅逸雅芭蕾舞爵士舞學校品牌的7所專科舞蹈學校，本集團提供包括芭蕾舞、爵士舞、瑜伽、拉丁舞及肚皮舞在內的多種課程。本集團致力於透過其通過認證並受廣泛認可的舞蹈教練提供專科舞蹈課程。於本期間內，本集團尋求擴大與小學及幼稚園的合作。此外，本集團致力於不同業務分部之間進行聯乘合作計劃，而協同效應尚待顯現，但本集團對目標持樂觀態度。

投資

資產投資

按公平值計入損益（「按公平值計入損益」）之金融資產

本集團已於本期間進一步實現投資組合多元化並分配更多資源於證券投資。於本期間，本集團購入9間香港上市公司的上市證券，並出售其投資組合中的若干上市證券。然而，香港股市於過往六個月期間出現波動，恆生指數自2018年7月3日的28,545.57點大幅下跌至2018年12月31日的25,845.70點。因此，本集團於本期間按公平值計入損益之金融資產錄得公平值變動虧損（詳情見下文）。本集團將密切監察香港股市走勢，並採納審慎的投資策略，以構建其投資組合。於2018年12月31日，本集團擁有按公平值計入損益之金融資產約71,760,000港元。

Management Discussion and Analysis

管理層討論及分析

Details of the significant investments in the portfolio under financial assets at FVTPL as at 31 December 2018 are as follows:

於2018年12月31日，按公平值計入損益的金融資產組合內的重重大投資詳情如下：

Description of investment	Principal businesses	Number of shares held	Percentage held to the total issued share capital of the listed company/ Investment	Investment cost/cost of acquisition	Fair value as at 31 December 2018	Percentage to the Group's unaudited total assets as at 31 December 2018
投資概述	主要業務	所持股份數目	佔上市公司已發行股本／投資總額的持股份百分比 (approximately) (概約)	投資成本／收購成本 HK\$'000 千港元	於2018年12月31日的公平值 HK\$'000 千港元	於2018年12月31日佔本集團未經審核總資產的百分比 (approximately) (概約)
Significant Investments						
重大投資						
Convo Global Holdings Limited ("Convo") (stock code: 1019)	Independent financial advisory business, money lending business, proprietary investment business, asset management business, corporate finance advisory services and securities dealing.	348,904,000	2.67%	122,116	30,200	11.23%
康宏環球控股有限公司 (「康宏」) (股份代號：1019)	獨立理財顧問業務、借貸業務、自營投資業務、資產管理業務、企業融資顧問服務及證券買賣。					
Other investments						
其他投資						
EJE (Hong Kong) Holdings Limited ("EJE Holdings") (stock code: 8101)	Manufacture of custom-made furniture, design, manufacture and sale of mattress and soft bed products, securities investment, property investment and money lending in Hong Kong.	51,500,000	1.78%	4,740	10,094	3.75%
壹家壹品 (香港) 控股有限公司 (「壹家壹品」) (股份代號：8101)	於香港從事訂製傢具製造、設計、製造及銷售床墊及軟床產品、證券投資、物業投資及借貸。					
Other listed shares* 其他上市股份*	—	—	—	37,660	23,606	8.78%
Unlisted convertible bonds 非上市可換股債券	—	—	—	8,700	7,858	2.92%
Grand total for financial assets at FVTPL 按公平值計入損益的金融資產總計				173,216	71,758	26.68%

* Other listed shares included 10 companies whose shares are listed on the Main Board of the Stock Exchange and 2 companies whose shares are listed on GEM of the Stock Exchange.

* 其他上市股份包括10家股份於聯交所主板上市的公司及2家股份於聯交所GEM上市的公司。

Management Discussion and Analysis

管理層討論及分析

During the Period, the Group recorded a loss on the change in fair value of financial assets at FVTPL of approximately HK\$18.73 million. Such loss consists of realised gain of approximately HK\$1.15 million and unrealised loss of approximately HK\$19.88 million on fair value changes in financial assets at FVTPL as detailed below.

於本期間內，本集團錄得按公平值計入損益之金融資產的公平值變動虧損約18,730,000港元。有關虧損包括按公平值計入損益之金融資產公平值變動的已變現收益約1,150,000港元及未變現虧損約19,880,000港元，詳情如下。

Description of investments (stock code)	投資概述 (股份代號)	Realised	Unrealised
		fair value gain	fair value loss
		for the Period 本期間已變現 公平值收益 HK\$'000 千港元	for the Period 本期間未變現 公平值虧損 HK\$'000 千港元
Convoy (1019)	康宏(1019)	—	(7,900)
EJE Holdings (8101)	壹家壹品(8101)	—	(2,224)
Heemin Capital Global Enhanced Yield Bond Fund ("Heemin Bond Fund") (Note)	Heemin Capital Global Enhanced Yield Bond Fund (「Heemin Bond Fund」) (附註)	12	—
Unlisted convertible bonds	非上市可換股債券	—	(540)
Other listed shares*	其他上市股份*	1,135	(9,212)
Grand total	總計	1,147	(19,876)

* Other listed shares included 13 companies which are listed on the Main Board of the Stock Exchange and 3 companies which are listed on GEM of the Stock Exchange.

* 其他上市股份包括13家於聯交所主板上市的公司及3家於聯交所GEM上市的公司。

Note: The Group disposed of an aggregate of approximately 64 participating shares of Heemin Bond Fund (representing all of the Group's interest in the Heemin Bond Fund) in September 2018 at an aggregate redemption price of US\$62,416.20.

附註：本集團於2018年9月出售Heemin Bond Fund合共約64股參與股份（即本集團於Heemin Bond Fund的全部權益），總贖回價為62,416.20美元。

Management Discussion and Analysis

管理層討論及分析

Financial assets at FVTOCI

The Group also held significant investment under financial assets at FVTOCI as at 31 December 2018 as below:

按公平值計入其他全面收益之金融資產

於2018年12月31日，本集團亦於按公平值計入其他全面收益之金融資產項下持有重大投資如下：

Description of significant investment	Principal businesses	Number of shares held	Percentage held in the total issued share capital of the company	Investment cost	Carrying amount as at 31 December 2018	Percentage to the Group's unaudited total assets as at 31 December 2018
重大投資概述	主要業務	所持股份數目	佔公司已發行股本總額的持股百分比 (approximately) (概約)	投資成本 HK\$'000 千港元	於2018年12月31日的賬面值 HK\$'000 千港元	佔本集團於2018年12月31日未經審核總資產的百分比 (approximately) (概約)
Unlisted securities of a company ("Investee") incorporated outside Hong Kong	Dealing in securities, securities advisory, corporate finance advisory, asset management and wealth management services and money lending in Hong Kong.	26	9.49%	30,831	16,114	5.99%
一間於香港境外註冊成立的公司(「被投資方」)之非上市證券	於香港從事證券買賣、證券顧問、企業融資顧問、資產管理及財富管理服務以及借貸。					

Performance and future prospects of the Company's significant investments

(1) Convoy

Trading in the shares of Convoy ("Convoy Shares") has been halted since 7 December 2017 and remain suspended up to the date of this report. From the announcement of Convoy dated 1 August 2018, since the Convoy Shares have been suspended from trading on the Stock Exchange for less than 12 months as at 1 August 2018 ("Effective Date"), under Rule 6.01A(2)(b)(i) of the Listing Rules, the Stock Exchange may cancel listing of Convoy if the suspension of trading has remained for 18 continuous months from the Effective Date. The Convoy Shares remain suspended from trading as at the date of this report.

本公司重大投資的表現及未來前景

(1) 康宏

康宏股份(「康宏股份」)已自2017年12月7日起暫停買賣且截至本報告日期仍然停牌。自康宏日期為2018年8月1日的公佈起，由於康宏股份於2018年8月1日(「生效日期」)在聯交所暫停買賣少於12個月，根據上市規則第6.01A(2)(b)(i)條，倘股份買賣自生效日期起連續18個月停牌，聯交所可取消康宏之上市地位。於本報告日期，康宏股份仍然暫停買賣。

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管理層討論及分析

As disclosed in the announcement of Convoys dated 1 February 2019, as of the date of 1 February 2019, the independent advisors of Convoys were finalising a report of the potential irregularities in relation to Convoys. Convoys expected that the draft report would be available for review by the independent non-executive directors of Convoys by the end of February 2019. Upon reviewing the said report, Convoys and its auditors would continue to complete audit procedures and Convoys targeted to publish the accounts for the years ended 31 December 2017 and 2018 when available.

In addition, according to the announcement of Convoys dated 19 February 2019, the directors of Convoys (“Convoys Directors”) stated that (i) notwithstanding the suspension of Convoys Shares, the Convoys group is carrying on its businesses as usual and the Convoys Directors consider that the suspension does not have any material adverse effect on the daily business operation of the Convoys group; and (ii) the suspension does not have material adverse effect on the financial position of the Convoys group.

The Group noted from the announcement of Convoys dated 24 August 2018 that Convoys continued to invest in the field of fintech by entering into strategic partnership with CurrencyFair Limited, a leading provider of international money transfer services with customers throughout Europe and Australia. According to the announcements of Convoys dated 20 November 2018 and 19 February 2019, it subscribed for and has been allotted certain shares in Tandem Money Limited, the holding company of Tandem Bank which is a leading virtual bank in the United Kingdom. The Directors further noted from the announcements of Convoys dated 19 February 2019 and 23 January 2019 that the Convoys group would make further investment in Nutmeg Saving and Investment Limited (“Nutmeg”), together with other investors, such as Goldman Sachs PSI Global Holdings, LLC, in Nutmeg’s new round of fund-raising in January 2019. The Directors would continue to closely monitor the recent situation of Convoys and formulate appropriate strategies to protect the interest of the Group.

誠如康宏日期為2019年2月1日的公佈所披露，截至2019年2月1日，康宏的獨立顧問正在最終擬定有關康宏的潛在違規事項報告。康宏預計報告草案將於2019年2月底之前可供康宏獨立非執行董事審閱。待審閱上述報告後，康宏及其核數師將繼續完成審計程序，且康宏計劃於完成時刊發截至2017年及2018年12月31日止年度之賬目。

此外，根據康宏日期為2019年2月19日的公告，康宏董事（「康宏董事」）表示(i)儘管康宏股份停牌，康宏集團如常運作，且康宏董事認為，停牌不會對康宏集團之日常業務營運造成任何重大不利影響；及(ii)停牌不會對康宏集團之財務狀況造成重大不利影響。

本集團自康宏日期為2018年8月24日的公佈注意到，康宏繼續投資於金融科技領域，方式為與CurrencyFair Limited（一間為歐洲及澳洲客戶提供國際匯款服務的領先提供商）建立策略夥伴關係。根據康宏日期為2018年11月20日及2019年2月19日的公佈，其認購及已獲配發Tandem Money Limited（為英國領先虛擬銀行Tandem Bank之控股公司）的若干股份。董事自康宏日期為2019年2月19日及2019年1月23日的公告進一步獲悉，康宏集團將聯同其他投資者（如Goldman Sachs PSI Global Holdings, LLC）於Nutmeg Saving and Investment Limited（「Nutmeg」）在2019年1月份進行的新一輪集資中對Nutmeg作出進一步投資。董事將持續密切監察康宏之近期狀況並制定適當策略以保障本集團利益。

(2) Unlisted securities of the Investee

Based on the financial information provided from and explanation given by the management of the Investee (“Investee Management”), the Directors noted from the unaudited financial results of the Investee and its subsidiaries (“Investee Group”) for the year ended 31 December 2018 that the Investee Group recorded a substantial loss as compared to a profit recorded in 2017. Revenue of the Investee Group has dropped significantly as compared to the year of 2017 mainly due to the decrease in commission income from the provision of placing and underwriting services. The impact was mainly due to the fluctuation of the Hong Kong stock market (including the IPO market) in 2018. Given this situation, the Investee Management has modified the business strategies of the Investee Group. In 2018, the Investee Group has entered into agreements with a joint venture partner and set up a joint venture in the People’s Republic of China (“PRC”) in early 2019 to extend the scope of services to pre-IPO stage for building up relationship with potential corporate clients. The Investee Management explained that it is the first step for the Investee Group, through the joint venture, to enter into the PRC market. Such arrangement enables the Investee Group to enlarge its client base and extend its corporate finance advisory services to potential clients in the PRC. Through the new development, the Investee Management is making an effort to derive new income source to improve the financial performance of the Investee Group. The Directors would continue to monitor the business development of the Investee Group and protect the interest of the Group.

(2) 被投資方之非上市證券

根據被投資方管理層（「被投資方管理層」）提供的財務資料及作出的解釋，董事知悉，相較於2017年錄得的收益，被投資方及其附屬公司（「被投資集團」）截至2018年12月31日止年度的未經審核財務業績錄得大幅虧損。相較於2017年，被投資集團的收入大幅下滑，乃主要由於提供配售及包銷服務所得佣金收入減少所致。有關影響主要由於香港股票市場（包括首次公開發售市場）於2018年出現波動所致。有鑒於此，被投資方管理層已修改被投資集團的業務策略。於2018年，被投資集團與合營公司夥伴訂立協議，並於2019年初在中華人民共和國（「中國」）成立合營公司，將服務範圍擴展至首次公開發售前階段，以與潛在企業客戶建立關係。被投資方管理層解釋，此為被投資集團通過合營公司進入中國市場的第一步。有關安排能夠令被投資集團擴大其客戶群，並將其企業融資諮詢服務擴展至中國潛在客戶。透過新的發展，被投資方管理層正努力取得新收入來源，以提升被投資集團的財務業績。董事將繼續監察被投資集團的業務發展及保障本集團的利益。

Management Discussion and Analysis

管理層討論及分析

Other Investment – Early Education

Our joint venture, Full Profit Hong Kong Development Limited and its subsidiary (“Full Profit Group”), continued to provide management and consultancy services in early education and recorded declining revenue during the Period. Due to the continuing decline in the birth rate in Hong Kong, the market size for early education has been shrinking. Despite prevailing market demands, the operating environment of early education was difficult. In view of the challenging situation, the Group has been reviewing the business strategies with the joint venture partner and strive to maintain a stable income to the Full Profit Group.

Money Lending Business

China Rich Finance Limited, an indirect wholly-owned subsidiary of the Group, is a holder of money lender’s license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group has adopted money lending policies and procedures for handling and/or monitoring the money lending business in compliance with the Money Lenders Ordinance.

During the Period, the Group recorded loan interest income of approximately HK\$2.16 million (2017: approximately HK\$1.47 million) from granting loans to both corporate and individual clients. The money lending business generated stable income to the Group. The outstanding principal amount of loan receivables as at 31 December 2018 was approximately HK\$40.30 million (30 June 2018: approximately HK\$31.30 million).

其他投資－早期教育

於本期間內，我們的合營公司盈豐香港發展有限公司及其附屬公司（「盈豐集團」）繼續提供早期教育的管理及諮詢服務，但錄得收入下降。由於香港的出生率持續下降，早期教育的市場規模一直在萎縮。儘管現時市場有殷切需求，但早期教育的經營環境困難。鑒於形勢險峻，本集團一直與合營公司夥伴檢視業務策略，並努力維持盈豐集團穩定的收入。

借貸業務

本集團之間接全資附屬公司漢富財務有限公司為香港法例第163章放債人條例下放債人牌照的持有人。本集團已遵守放債人條例採納有關處理及／或監控借貸業務的借貸政策及程序。

於本期間內，本集團於向企業及個人客戶授出貸款方面錄得貸款利息收入約2,160,000港元（2017年：約1,470,000港元）。借貸業務為本集團帶來穩定收入。於2018年12月31日，尚未償還的應收貸款的本金額約40,300,000港元（2018年6月30日：約31,300,000港元）。

FINANCIAL REVIEW

Revenue

During the Period, the Group recorded revenue of approximately HK\$57.07 million, representing an increase of approximately 7.53% as compared with approximately HK\$53.07 million recorded for the corresponding period in 2017. During the Period, the Group recorded relatively stable revenue from English language training and test preparation courses of approximately HK\$5.90 million (2017: approximately HK\$5.74 million). However, revenue from secondary tutoring services recorded a decrease to approximately HK\$28.49 million, representing a decrease of approximately 19.93% as compared to approximately HK\$35.59 million recorded for the corresponding period in 2017.

For primary tutoring services, skill courses and test preparation courses (including franchising income), revenue of approximately HK\$12.11 million was recorded, representing an increase of approximately 24.74% as compared to approximately HK\$9.71 million recorded in the corresponding period in 2017. In addition, the Group recorded revenue from dance tuition services of approximately HK\$8.41 million during the Period.

During the Period, the Group recorded loan interest income from the money lending business of approximately HK\$2.16 million (2017: approximately HK\$1.47 million), representing an increase of approximately 47.24% as compared to the corresponding period in 2017.

Other income, gains and losses

For the Period, the Group's other income, gains and losses recorded net gain of approximately HK\$3.96 million (2017: net gain of approximately HK\$17.71 million). Such decrease was mainly due to lack of one-off gain on disposal of subsidiaries in the six months ended 31 December 2018 (2017: gain of approximately HK\$13.85 million).

Staff costs

The Group's staff costs increased by approximately HK\$5.19 million or approximately 25.81% compared with the corresponding period in 2017. Such increase was mainly attributable to the inclusion of staff salaries of the segment of dance tuition services during the Period.

財務回顧

收入

於本期間內，本集團錄得收入約57,070,000港元，較2017年同期錄得的約53,070,000港元增加約7.53%。於本期間內，本集團於英語培訓及應試課程錄得相對穩定的收入，金額約5,900,000港元（2017年：約5,740,000港元）。然而，來自中學補習服務錄得的收入減少至金額約28,490,000港元，較2017年同期錄得的約35,590,000港元減少約19.93%。

本集團自小學輔導服務、展藝課程及應試課程（包括特許經營收入）錄得的收入約12,110,000港元，較2017年同期錄得的約9,710,000港元增加約24.74%。此外，本集團於本期間自舞蹈教學服務錄得收入約8,410,000港元。

於本期間內，本集團自借貸業務錄得貸款利息收入約2,160,000港元（2017年：約1,470,000港元），較2017年同期增加約47.24%。

其他收入、收益及虧損

於本期間，本集團的其他收入、收益及虧損錄得淨收益約3,960,000港元（2017年：淨收益約17,710,000港元）。有關減少乃主要由於截至2018年12月31日止六個月並無出售附屬公司的一次性收益（2017年：收益約13,850,000港元）。

員工成本

本集團的員工成本較2017年同期增加約5,190,000港元或約25.81%。有關增加乃主要由於本期間內計入舞蹈教學服務分部員工的薪金所致。

Management Discussion and Analysis

管理層討論及分析

Tutor contractor fee

The Group's tutor contractor fee decreased by approximately HK\$1.48 million or approximately 11.38% compared with the corresponding period in 2017. Such decrease was in line with the decline in revenue derived from secondary tutoring services.

Operating lease payments

The Group's operating lease payments increased by approximately HK\$5.85 million or approximately 37.68% compared with the corresponding period in 2017. Such increase was due to the inclusion of rental payments of the segment of dance tuition services during the Period.

Marketing expenses

The Group's marketing expenses decreased by approximately HK\$5.52 million or approximately 62.67% compared with the corresponding period in 2017. Such decrease was mainly due to the reduction in media placement during the Period.

Other operating expenses

The Group's other operating expenses increased by approximately HK\$2.47 million or 13.87% compared with the corresponding period in 2017. Such increase was mainly due to the inclusion of operating expenses of the segment of dance tuition services during the Period.

Finance costs

The Group did not incur any finance costs during the Period (2017: approximately HK\$3.21 million from loan notes and bank borrowings).

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the Period was approximately HK\$45.25 million (2017: profit of approximately HK\$5.53 million). Loss per share was HK\$0.08 for the Period (2017: earnings per share of HK\$0.01, as restated).

導師承包費

本集團的導師承包費較2017年同期減少約1,480,000港元或約11.38%。有關減少與來自中學補習服務的收入減少一致。

經營租賃付款

本集團的經營租賃付款較2017年同期增加約5,850,000港元或約37.68%。有關增加的原因為於本期間內計入舞蹈教學服務分部的租金所致。

市場推廣開支

本集團的市場推廣開支較2017年同期減少約5,520,000港元或約62.67%。有關減少乃主要由於本期間內的媒體投放減少所致。

其他經營開支

本集團的其他經營開支較2017年同期增加約2,470,000港元或13.87%。有關增加乃主要由於於本期間內計入舞蹈教學服務分部的經營開支所致。

財務費用

本集團於本期間內並無產生任何財務費用(2017年：約3,210,000港元自貸款票據及銀行借貸產生)。

本公司擁有人應佔虧損

於本期間內，本公司擁有人應佔虧損約45,250,000港元(2017年：溢利約5,530,000港元)。於本期間，每股虧損為0.08港元(2017年：每股盈利為0.01港元(經重列))。



Management Discussion and Analysis

管理層討論及分析

OUTLOOK

Looking forward, the Group is determined to take prudent approach to sustain our business growth in the competitive education market in Hong Kong. Leveraging on the Group's leading position in the secondary tutorial services market, it will continue to focus on enhancing service quality to retain students. While strengthening tutors' professional images, the Group will also stringently improve course contents in order to consolidate its market competitiveness.

The Group aims at providing quality education to all ages in Hong Kong. The Group will continue to deploy efforts in recruiting certified and recognised coaches in the market to assure that students are receiving the best quality classes. In addition, the Group will work out a sophisticated plan to unearth potential opportunities of different business segments and liaise with its business partners to enrich our existing cooperation and explore new business relationship. Apart from our proactive organic growth strategies, the Group will also seek for merger and acquisition opportunities in this fragmented market in order to expand our market share and broaden our income base.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has established an appropriate liquidity risk management system to manage its short, medium and long-term funding and to satisfy its liquidity management requirements.

As at 31 December 2018, the Group's total balance of cash and cash equivalents amounted to approximately HK\$14.39 million (30 June 2018: approximately HK\$42.71 million), of which 84.62% is held in Hong Kong dollars and 15.38% is held in Renminbi. Current ratio (defined as total current assets divided by total current liabilities) was 7.77 times (30 June 2018: 8.53 times).

As at 31 December 2018, the gearing ratio of the Group was 9.61% (30 June 2018: 8.74%). Gearing ratio is total debts divided by the sum of total equity plus total debts. Total debts refer to total liabilities minus the sum of tax payable, deferred tax liabilities and dividend payable (if any).

前景

展望未來，本集團決心採取審慎態度於香港競爭激烈的教育市場中保持業務增長。憑藉本集團於中學補習服務市場的領先地位，其將繼續專注於提高服務質素，以此留住學生。在提升導師專業形象的同時，本集團亦將嚴格改進課程內容以鞏固其市場競爭力。

本集團旨在於香港向各年齡階層人士提供優質教育。本集團將繼續努力於市場上招聘通過認證並受認可的導師，以確保學生獲得最優質的課堂教學。此外，本集團將制定周詳的計劃，發掘各業務分部的潛在機會，並與業務夥伴聯繫以擴大現有合作及探索新業務關係。除了我們積極的內部自然增長策略外，本集團亦將於此分散的市場物色併購機會，以期擴大市場份額及擴闊我們的收入基礎。

流動資金及財政資源

本集團已建立適當的流動資金風險管理制度以管理其短期、中期及長期資金及滿足其流動資金管理需求。

於2018年12月31日，本集團的現金及現金等價物的總結餘約14,390,000港元（2018年6月30日：約42,710,000港元），其中84.62%以港元持有及15.38%以人民幣持有。流動比率（界定為總流動資產除以總流動負債）為7.77倍（2018年6月30日：8.53倍）。

於2018年12月31日，本集團的資本負債比率為9.61%（2018年6月30日：8.74%）。資本負債比率為總負債除以總權益及總負債之和。總負債為債務總額減去應付稅項、遞延稅項負債及應付股息（如有）之和。

Management Discussion and Analysis

管理層討論及分析

CAPITAL STRUCTURE AND TREASURY POLICIES

The Group consistently employed a prudent treasury policy during its development and generally financed its operations and business development with internally generated resources and equity and/or debt financing activities. The Group also adopted flexible and prudent fiscal policies to effectively manage the Group's assets and liabilities and strengthen the Group's financial position.

EXPOSURE TO FOREIGN EXCHANGE RISK

The income and expenditure of the Group are mainly denominated in Hong Kong dollars and as such the impact of foreign exchange exposure of the Group was considered minimal. Hence, no hedging or other arrangements to reduce the currency risk have been implemented.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2018, the Group had a total of 298 employees (30 June 2018: 309 employees). They receive competitive remuneration packages that are constantly monitored with reference to the market circumstances, with incentives such as discretionary bonuses based on the Group's and individual performance. The Group provides a comprehensive benefits package and career development opportunities.

Pursuant to a share option scheme adopted by the Company on 11 June 2011 ("Share Option Scheme"), the Board may grant options to eligible persons, including employees and Directors, to subscribe for shares of the Company. During the Period, no share options have been granted by the Company pursuant to the Share Option Scheme.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no significant contingent liabilities (30 June 2018: nil).

資本架構及庫務政策

本集團於其發展的同時一直採取審慎的庫務政策，一般以內部產生資源及權益及／或債務融資活動為其營運及業務發展提供資金。本集團亦採納靈活審慎的財務政策，以有效管理本集團的資產及負債以及加強本集團的財務狀況。

外匯風險

本集團的收入及開支主要以港元結算，因此本集團認為外匯風險影響極低。故此，並無實施對沖或其他安排以減低貨幣風險。

僱員及薪酬政策

於2018年12月31日，本集團的僱員總數為298人（2018年6月30日：309人）。彼等獲給予具競爭力的薪酬待遇，而該等薪酬待遇乃參考市況持續監察，並根據本集團及個人表現獲發酌情花紅等獎勵。本集團為員工提供全面的福利待遇及事業發展機會。

根據本公司於2011年6月11日採納的購股權計劃（「購股權計劃」），董事會可向合資格人士（包括僱員及董事）授出購股權以認購本公司股份。於本期間內，本公司概無根據購股權計劃授出任何購股權。

或然負債

於2018年12月31日，本集團概無重大或然負債（2018年6月30日：無）。

CAPITAL COMMITMENTS

As at 31 December 2018 and 30 June 2018, there was no capital expenditure contracted for but not provided in the condensed consolidated financial statements.

CHARGES ON THE GROUP'S ASSETS

The Group had neither asset pledged nor any general banking facility as at 31 December 2018 and 30 June 2018.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, the Group had the following material disposals:

- (1) On 7 September 2018, Rosy Lane Investments Limited ("Rosy Lane", as vendor), a wholly-owned subsidiary of the Company, entered into a loan disposal agreement ("Loan Disposal Agreement") with Mr. Wong Kui Shing ("Mr. Wong", as purchaser), pursuant to which Rosy Lane has conditionally agreed to sell and assign, and Mr. Wong has conditionally agreed to purchase and be assigned, Rosy Lane's rights, titles, benefits and interests in and to a loan (including the aggregate outstanding principal sum and the interest accrued thereon in the amount of approximately HK\$54.48 million owing by Mr. Poon Chun Yin ("Mr. Poon") to Rosy Lane as at 7 September 2018, the promissory note issued by Mr. Poon (as debtor) to Rosy Lane dated 30 December 2016 and the share mortgage (executed in favour of Rosy Lane over the shares of Seasoned Leader Limited)) at the consideration of HK\$48 million. Completion of the loan disposal took place on 17 September 2018 and the Group has ceased to have any interest in the said loan. Please refer to the announcements of the Company dated 7 September 2018 and 10 September 2018 for further details of the loan disposal.

資本承擔

於2018年12月31日及2018年6月30日，概無已訂約但未於簡明綜合財務報表內撥備的資本支出。

本集團資產抵押

於2018年12月31日及2018年6月30日，本集團並無已抵押資產或任何一般銀行信貸。

重大收購及出售

本集團於本期間內之重大出售如下：

- (1) 於2018年9月7日，本公司之全資附屬公司Rosy Lane Investments Limited（「Rosy Lane」，作為賣方）與王鉅成先生（「王先生」，作為買方）訂立貸款出售協議（「貸款出售協議」），據此Rosy Lane已有條件同意出售及轉讓，而王先生已有條件同意購買並接受轉讓Rosy Lane於貸款（包括潘俊彥先生（「潘先生」）截至2018年9月7日結欠Rosy Lane的尚未償還本金總額及其累計利息約54,480,000港元、潘先生（作為債務人）於2016年12月30日向Rosy Lane發行的承兌票據及以Rosy Lane為受益人針對Seasoned Leader Limited的股份簽立的股份質押）的權利、擁有權、利益及權益，代價為48,000,000港元。貸款出售於2018年9月17日完成，而本集團已不再擁有上述貸款的任何權益。有關貸款出售的進一步詳情，請參閱本公司日期為2018年9月7日及2018年9月10日的公佈。

Management Discussion and Analysis

管理層討論及分析

Advance to an entity

The outstanding principal amount (“Balance Payment”) of the promissory note issued by Mr. Wong to Rosy Lane pursuant to the Loan Disposal Agreement as at 31 December 2018, amounting to HK\$43 million, continues to exceed 8% of the total assets of the Company as at 31 December 2018. The Balance Payment, which is unsecured, shall be repayable by Mr. Wong in accordance with the following schedule:

HK\$15 million repayable on or before 17 December 2018
HK\$15 million repayable on or before 18 March 2019
HK\$13 million repayable on or before 17 June 2019

Interest rate on the outstanding Balance Payment is 10% per annum repayable on 17 June 2019.

- (2) On 7 September 2018, the Group through Fastek Investments Limited (“Fastek”), an indirect wholly-owned subsidiary of the Company, disposed of 9,570,000 shares (“GET Shares”) of GET Holdings Limited (“GET”, a company listed on GEM of the Stock Exchange, stock code: 8100) on the market through the Stock Exchange for an aggregate consideration of HK\$3,971,550 (excluding stamp duty and related expenses). On 19 September 2018, the Group through Wise Action Limited, an indirect wholly-owned subsidiary of the Company, disposed of 12,288,235 GET Shares under the terms and conditions of the mandatory cash share offer made on 31 August 2018 by Get Nice Securities Limited for and on behalf of Mr. Wong Jing Shong (as offeror) for an aggregate consideration of approximately HK\$5,161,000. After the said disposals, the Group ceased to hold any interest in GET. Please refer to the announcement of the Company dated 18 September 2018 for further details of the disposals.

Save as disclosed, the Group had no other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENT

As at 31 December 2018, the Group did not have any other plans for material investment or capital assets.

向一間實體墊款

王先生根據貸款出售協議向 Rosy Lane 所發出承兌票據的未償還本金額（「餘下付款」）於 2018 年 12 月 31 日為 43,000,000 港元，其持續超過本公司於 2018 年 12 月 31 日總資產的 8%。餘下付款屬無抵押，須由王先生按下列安排償還：

15,000,000 港元於 2018 年 12 月 17 日或之前償還
15,000,000 港元於 2019 年 3 月 18 日或之前償還
13,000,000 港元於 2019 年 6 月 17 日或之前償還

未償還的餘下付款之利率為年利率 10% 於 2019 年 6 月 17 日償還。

- (2) 於 2018 年 9 月 7 日，本集團透過本公司之間接全資附屬公司 Fastek Investments Limited（「Fastek」）經聯交所在市場上出售 9,570,000 股智易控股有限公司（「智易」，一家於聯交所 GEM 上市的公司（股份代號：8100）股份（「智易股份」），總代價為 3,971,550 港元（不包括印花稅及相關費用）。於 2018 年 9 月 19 日，本集團透過本公司之間接全資附屬公司智僑有限公司根據結好證券有限公司於 2018 年 8 月 31 日代表黃靖淳先生（作為要約人）提出的強制現金股份要約之條款及條件出售 12,288,235 股智易股份，總代價約 5,161,000 港元。於上述出售後，本集團於智易不再持有任何權益。有關出售的進一步詳情，請參閱本公司日期為 2018 年 9 月 18 日的公佈。

除所披露者外，本集團於本期間內並無其他重大收購或出售附屬公司、聯營公司及合營公司。

重大投資的未來計劃

於 2018 年 12 月 31 日，本集團並無任何其他重大投資或資本資產計劃。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDER'S OR OTHER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, so far as was known to the directors (“Directors”) and chief executive of Hong Kong Education (Int’l) Investments Limited (“Company” together with its subsidiaries, “Group”), there was no person (other than a Director or chief executive of the Company) who had any interests or short positions in the shares (“Shares”) or underlying Shares of the Company which were recorded in the register required to be kept under Section 336 of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”), or which would fall to be disclosed to the Company and The Stock Exchange of Hong Kong Limited (“Stock Exchange”) under provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above and in the sub-section headed “Share Option Scheme” below, at no time during the six months ended 31 December 2018 (“Period”) and up to the date of this report, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for equity or debt securities of the Company or any other body corporate, nor had exercised any such right.

主要股東或其他人士於股份及相關股份的權益及淡倉

於2018年12月31日，就香港教育（國際）投資集團有限公司（「本公司」，連同其附屬公司，「本集團」）之董事（「董事」）及主要行政人員所知，並無人士（董事或本公司主要行政人員除外）於本公司股份（「股份」）或相關股份中擁有根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第336條須記入存置的登記冊的權益或淡倉，或根據證券及期貨條例第XV部第2及3分部的條文須向本公司及香港聯合交易所有限公司（「聯交所」）披露的權益或淡倉。

董事及主要行政人員於股份、相關股份及債券的權益及淡倉

於2018年12月31日，概無董事或本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第352條須記入本公司存置的登記冊的權益或淡倉；或根據聯交所證券上市規則（「上市規則」）附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所的權益或淡倉。

董事購買股份或債券的權利

除上文及下文「購股權計劃」分節所披露者外，於截至2018年12月31日止六個月（「本期間」）內及截至本報告日期止任何時間內，本公司或其任何附屬公司概無訂立任何安排，以使董事可藉由收購本公司或任何其他法人團體的股份或債券而獲得利益，而董事或任何彼等的配偶或18歲以下子女亦概無獲授予可認購本公司或任何其他法人團體的股本或債務證券的任何權利，亦無行使任何有關權利。

Other Information 其他資料

SHARE OPTION SCHEME

The share option scheme of the Company (“Share Option Scheme”) was adopted pursuant to a resolution in writing of all shareholders passed on 11 June 2011 (“Adoption Date”). The purposes of the Share Option Scheme are to attract and retain the best available personnel and to provide additional incentives or rewards to employees, directors, consultants, business associates and advisers of the Company for their contribution to the Company and to promote our success. The Share Option Scheme became effective on 4 July 2011 (“Effective Date”), subject to earlier termination by the Directors and approved in advance by the shareholders in a general meeting. The Share Option Scheme shall be valid and effective for a period commencing from the Effective Date and expiring at 5:00p.m. on the business day preceding the tenth anniversary of the Adoption Date. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

During the Period, no share options have been granted by the Company pursuant to the Share Option Scheme. No option was outstanding as 1 July 2018 and 31 December 2018. No option was cancelled, exercised or lapsed during the Period.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries to the Directors, each of the Directors confirmed his/her compliance with the required standard set out in the Model Code throughout the Period.

購股權計劃

本公司的購股權計劃（「購股權計劃」）乃根據全體股東於2011年6月11日（「採納日期」）通過的書面決議案所採納。購股權計劃旨在吸引及挽留最佳員工，及為本公司的僱員、董事、諮詢人、業務夥伴及顧問提供額外獎勵或回報，以獎賞彼等對本公司所作的貢獻並促進我們的成功。在受董事提前終止及股東於股東大會上事先批准所規限下，購股權計劃於2011年7月4日（「生效日期」）生效。購股權計劃應自生效日期起直至採納日期第十週年前的營業日下午五時正屆滿時止期間生效及有效。購股權計劃的條款符合上市規則第17章的條文規定。

於本期間內，本公司概無根據購股權計劃授出任何購股權。於2018年7月1日及2018年12月31日並尚未行使的購股權。本期間內概無購股權被註銷、行使或失效。

購買、出售或贖回本公司的上市證券

於本期間內，本公司及其任何附屬公司概無購買、出售或贖回任何本公司的上市證券。

遵守證券交易標準守則

本公司已採納標準守則作為有關董事進行證券交易的操守準則。經向董事作出特定查詢後，各董事已確認彼於本期間內一直遵守標準守則所載的規定準則。

Other Information 其他資料

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles in and adopted the code provisions of the corporate governance code set out in Appendix 14 to the Listing Rules as its own corporate governance code (“CG Code”). During the Period, the Company has complied with all the provisions of the CG Code except the deviations mentioned in the following paragraph.

Following (i) the resignation of Mr. Lee Wai Lok Ignatious as a Director and the chief executive officer of the Company (“CEO”) on 9 November 2017, the role of the CEO was and remains outstanding as at the date of this report, which constitutes deviation from Code Provision A.2.1 of the CG Code; and (ii) the retirement of Mr. Wong Yuk Tong as a Director and the chairman (“Chairman”) of the board of Directors (“Board”) at the annual general meeting of the Company on 19 December 2017, the role of the Chairman was and remains outstanding as at the date of this report, which constitutes deviation from Code Provision A.2 of the CG code.

As at the date of this report, the positions of the Chairman and the CEO remained vacated as the Company has not been able to identify suitable candidates for the positions.

LITIGATION

(1) On 19 December 2017, Fastek (an indirect wholly-owned subsidiary of the Company) received a writ of summons (“Writ”) with Statement of Claim issued in the Court of First Instance of the High Court of Hong Kong (“CFI”) by Convoy Global Holdings Limited (“Convoy”) and certain of Convoy’s subsidiaries (“Plaintiffs”) to claim an order against Fastek, as one of the placees under the placing of shares (“Convoy Shares”) of Convoy conducted in October 2015, that Fastek was wrongly placed the Convoy Shares and wrongly received certain circular financing facilities by one of the Plaintiffs.

遵守企業管治守則

本公司已應用上市規則附錄14所載企業管治守則中的原則及採納其守則條文作為其本身的企業管治守則（「企業管治守則」）。於本期間內，本公司已遵守企業管治守則的所有條文，惟下段所述的偏離事項除外。

繼(i)李偉樂先生於2017年11月9日辭任本公司董事及行政總裁（「行政總裁」）後，行政總裁之職位截至本報告日期一直懸空，此構成偏離企業管治守則守則條文A.2.1條；及(ii)王玉棠先生於2017年12月19日於本公司股東週年大會退任董事及董事會（「董事會」）主席（「主席」）後，主席之職位截至本報告日期一直懸空，此構成偏離企業管治守則守則條文A.2條。

於本報告日期，由於本公司尚未物色到合適的人選出任主席及行政總裁之職位，故有關職位仍然懸空。

訴訟

(1) 於2017年12月19日，本公司的間接全資附屬公司Fastek接獲康宏環球控股有限公司（「康宏」）及康宏若干附屬公司（「該等原告」）於香港高等法院原訟法庭（「原訟法庭」）發出的傳訊令狀（「令狀」）連同申索陳述書，該等原告尋求針對Fastek（作為於2015年10月進行之康宏股份（「康宏股份」）配售事項的其中一名承配人）獲不當配發康宏股份及不當獲授其中一名原告授出的若干循環融資額度的頒令。

Other Information

其他資料

On 31 May 2018, the Plaintiffs filed an amended Statement of Claim against, among other defendant, Fastek, as one of the defendants, pursuant to which:

- (i) Convoy (the 1st plaintiff) seeks, inter alia, (a) a declaration and order as against the placees that the allotment of the Convoy Shares is null and void or has been rescinded and set aside; (b) an account of profits and an order for payment of any sums found to be due, equitable compensation to be assessed, and/or damages to be assessed for breach of fiduciary, common law and/or statutory duties, dishonest assistance, unlawful means conspiracy and/or lawful means conspiracy, as against, among others, Fastek;
- (ii) Convoy Collateral Limited and CSL Securities Limited (the 2nd plaintiff and the 3rd plaintiff) seek, inter alia, an order against, among others, Fastek as one of the direct recipients of funds under the said circular financing arrangement for an account of profits and an order for payment of any sums found to be due, equitable compensation to be assessed, and/or damages to be assessed for breach of fiduciary, common law and/or statutory duties, dishonest assistance, unlawful means conspiracy and/or lawful means conspiracy; and
- (iii) the Plaintiffs seek against all the defendants (a) general or special damages; (b) interests; (c) costs; (d) further and/or other reliefs.

On 5 June 2018, the solicitors for Fastek received a letter from the solicitors for the Plaintiffs dated 4 June 2018 which clarified that the amended Statement of Claim (which states “re-filled on 31 May 2018”) serves on Fastek on 31 May 2018 has yet to be officially filed in the Court pending the resolutions of the Plaintiffs’ applications lodged to Mr. Justice Harris on 4 June 2018 to amend the Statement of Claim and to add new parties by amending the Writ.

於2018年5月31日，該等原告發出針對（包括其他被告）Fastek（作為其中一名被告）的經修訂申索陳述書，據此：

- (i) 康宏（第一原告）尋求（其中包括）(a)針對承配人作出康宏股份的配發屬作廢及無效或已撤回及撤銷的聲明及頒令；(b)交出利潤賬目及一項就違反受信責任、普通法及／或法定責任、不誠實協助、非法及／或合法手段串謀而針對（其中包括）Fastek作出的有關支付任何應付款項、將予評定之衡平補償及／或將予評定之損害賠償的頒令；
- (ii) 康宏財務有限公司及康證有限公司（第二原告及第三原告）尋求針對（其中包括）Fastek（作為上述循環融資安排的其中一名直接接收人）有關提交利潤賬目的頒令及就違反受信責任、普通法及／或法定責任、不誠實協助、非法及／或合法手段串謀而作出的有關支付任何應付款項、將予評定之衡平補償及／或將予評定之損害賠償的頒令；及
- (iii) 該等原告尋求針對所有被告的(a)一般或特別損害賠償；(b)利息；(c)訟費；(d)進一步及／或其他救濟。

於2018年6月5日，Fastek的律師收到該等原告的律師發出日期為2018年6月4日的函件，澄清於2018年5月31日送達Fastek的經修訂申索陳述書（當中陳述「於2018年5月31日重新提交」）尚未正式遞交予法庭，有待該等原告於2018年6月4日向夏利士法官遞交呈請之決議以修訂申索陳述書及通過修訂令狀增加新涉事方。



Other Information

其他資料

On 25 July 2018, Fastek received a sealed order of the hearing for the Plaintiffs' summons held on 28 June 2018 ("Order"). Pursuant to the Order, it is ordered, among other matters, that as between the Plaintiffs and Fastek (among certain other defendants), the Plaintiffs do have leave to file and serve the amended Statement of Claim. On 9 July 2018, the Plaintiffs served on Fastek copies of the amended Writ and amended Statement of Claim.

- (2) On 2 January 2018, Fastek received a petition dated 27 December 2017 made by the petitioner filed with the CFI, whereby the petitioner seeks, among other things, a declaration that the placement of Convoy Shares to Fastek in October 2015 is void *ab initio* and of no legal effect.

Please refer to the announcements of the Company dated 19 December 2017, 2 January 2018, 4 June 2018, 7 June 2018 and 25 July 2018 for details on the litigation involving the Group during the Period.

Given that the litigations are still at a preliminary stage and has not gone into substantive pleading stage, having considered the alleged claims and consulted with the Company's legal advisers, the Directors are of the views that (i) it is premature to assess the possible outcome of any claim which is pending, either individually or on a combined basis; (ii) it is uncertain as to whether there will be any impact, and if so, the quantum, on the financial position of the Group; and (iii) no provision for the claims in these legal proceedings is required to be made based on their current development. The Directors will monitor these litigations against the Group closely and the Company will keep the shareholders of the Company and potential investors informed of any further material development.

EVENT AFTER THE REPORTING PERIOD

There is no important event affecting the Group which have occurred since the end of the Period.

於2018年7月25日，Fastek收到一份有關於2018年6月28日就該等原告傳訊令狀所舉行的聆訊而發出的已蓋印命令（「命令」）。根據該命令，其責令（其中包括）在該等原告與Fastek（包括若干其他被告）之間，該等原告有權提交並發出經修訂申索陳述書。於2018年7月9日，該等原告向Fastek發出經修訂令狀及經修訂申索陳述書之副本。

- (2) 於2018年1月2日，Fastek接獲呈請人作出的日期為2017年12月27日並已提交原訟法庭的呈請，據此，呈請人尋求（其中包括）宣佈於2015年10月向Fastek配售的康宏股份自始無效，且不具法律效力。

有關本期間內涉及本集團的訴訟詳情，請參閱本公司日期為2017年12月19日、2018年1月2日、2018年6月4日、2018年6月7日及2018年7月25日之公佈。

由於各項訴訟仍處初步階段且尚未進入實質辯護階段，經考慮到所提出的申索及諮詢本公司法律顧問後，董事認為(i)不論以個別或綜合基準，現時評估任何有待裁定申索的可能結果言之尚早；(ii)難以確定會否對本集團的財務狀況造成任何影響及如會，則難以確定其影響的程度；及(iii)根據現時事態發展，無須就該等法律程序的申索作出撥備。董事將緊密監察該等訴訟對本集團的影響，且本公司將向本公司股東及潛在投資者告知任何進一步重大發展。

報告期後事項

自本期間結束以來，概無發生會影響本集團的重大事項。

Other Information 其他資料

REVIEW OF INTERIM RESULTS

The audit committee of the Board has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2018.

審閱中期業績

董事會之審核委員會已審閱本集團所採納的會計原則及常規，並已商討內部監控及財務申報事宜（包括審閱本集團截至2018年12月31日止六個月的未經審核簡明綜合財務報表）。

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

根據上市規則第13.51B(1)條作出之董事資料披露

Name of Director 董事姓名	Details of change 變動詳情
Mr. Fenn David 范德偉先生	appointed as an independent non-executive director of Sun Kong Holdings Limited (stock code: 8631, the shares of which are listed on GEM of the Stock Exchange on 8 January 2019), with effect from 11 December 2018 獲委任為申港控股有限公司（股份代號：8631，其股份於2019年1月8日在聯交所GEM上市）的獨立非執行董事，自2018年12月11日起生效

By order of the Board
Hong Kong Education (Int'l) Investments Limited
Yip Chung Yin Jeffrey
Executive Director

承董事會命
香港教育（國際）投資集團有限公司
執行董事
葉頌賢

Hong Kong, 26 February 2019

香港，2019年2月26日



香港教育
(國際)投資集團有限公司
Hong Kong Education (Int'l) Investments Ltd