ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board of directors (the "**Board**") of Eternity Investment Limited (the "**Company**") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2015 together with the comparative figures for 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Continuing operations			
Turnover	*3*	**100,266**	30,920
Cost of sales		**(49,702)**	—
Gross profit		**50,564**	30,920
Investment and other income	*4*	**3,292**	2,104
Other gains and losses	*5*	**228,970**	13,557
Selling and distribution expenses		**(2,500)**	—
Administrative expenses		**(31,473)**	(15,993)
Share of results of associates		**—**	(555)
Profit from operations	*6*	**248,853**	30,033
Finance costs	*7*	**(462)**	—
Profit before taxation		**248,391**	30,033
Income tax expense	*8*	**(5,644)**	(4,672)
Profit for the period from continuing operations		**242,747**	25,361
Discontinued operations			
Profit for the period from discontinued operations	*9*	**—**	153
Profit for the period		**242,747**	25,514

	Notes	Six months ended 30 June **2015** ***HK$'000*** **(Unaudited)**	2014 *HK$'000* (Unaudited)
Profit for the period attributable to:			
Owners of the Company		**244,339**	25,515
Non-controlling interests		**(1,592)**	(1)
		242,747	25,514
Interim dividend		**—**	—
Earnings per share	*10*		
From continuing operations			
— Basic		**HK44.45 cents**	HK4.91 cents
— Diluted		**HK44.39 cents**	HK4.91 cents
From discontinued operations			
— Basic		**N/A**	HK0.03 cent
— Diluted		**N/A**	HK0.03 cent
From continuing and discontinued operations			
— Basic		**HK44.45 cents**	HK4.94 cents
— Diluted		**HK44.39 cents**	HK4.94 cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**242,747**	25,514
Other comprehensive income for the period, net of income tax		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translating foreign operations	**15**	—
Net gain/(loss) arising on revaluation of available-for-sale financial assets	**31,166**	(733)
Reclassification adjustment relating to available-for-sale financial assets disposed of	**(74,378)**	—
Total comprehensive income for the period	**199,550**	24,781
Total comprehensive income for the period attributable to:		
Owners of the Company	**201,142**	24,782
Non-controlling interests	**(1,592)**	(1)
	199,550	24,781

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2015 HK$'000 (Unaudited)	At 31 December 2014 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**11,690**	13,074
Intangible assets		**—**	—
Goodwill		**89,265**	89,265
Interests in associates		**—**	—
Deposit for investment		**60,000**	60,000
Available-for-sale financial assets		**172**	68,887
Loans receivables	*11*	**253,000**	230,000
		414,127	461,226
Current assets			
Inventories		**42,730**	27,100
Trade receivables	*12*	**30,320**	17,232
Loans receivables	*11*	**580,401**	720,549
Deposits, prepayments and other receivables		**13,630**	10,495
Amount due from an associate		**3,528**	3,528
Financial assets at fair value through profit or loss		**786,831**	598,705
Convertible notes receivables		**—**	—
Conversion options embedded in convertible notes receivables		**—**	—
Restricted bank deposits		**19,759**	19,701
Cash and cash equivalents		**671,663**	384,778
		2,148,862	1,782,088
Total assets		**2,562,989**	2,243,314

	Notes	At 30 June 2015 HK$'000 (Unaudited)	At 31 December 2014 HK$'000 (Audited)
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**5,900**	5,477
Reserves		**2,369,100**	2,139,174
Equity attributable to owners of the Company		**2,375,000**	2,144,651
Non-controlling interests		**10,198**	11,790
Total equity		**2,385,198**	2,156,441
LIABILITIES			
Current liabilities			
Trade payables	*13*	**26,077**	13,165
Accruals and other payables		**15,936**	17,545
Receipt in advance		**72,634**	—
Other borrowings		**10,117**	3,850
Promissory notes		—	6,069
Tax payables		**27,353**	21,709
Deposits from customers		**79**	80
Deferred revenue		**25,435**	24,000
Obligations under finance leases		**153**	444
		177,784	86,862
Non-current liability			
Obligations under finance leases		**7**	11
Total liabilities		**177,791**	86,873
Total equity and liabilities		**2,562,989**	2,243,314
Net current assets		**1,971,078**	1,695,226
Total assets less current liabilities		**2,385,205**	2,156,452

Notes:

1. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standard (the "**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2014.

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

2. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2014, except as described below.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations issued by the HKICPA (hereinafter collectively referred to as the "**new and revised HKFRSs**"), which are effective for the Group's accounting period beginning on 1 January 2015.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions

The application of the new and revised HKFRSs has no material effect on the condensed consolidated financial statements for the current or prior accounting periods.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
HKFRS 9	Financial Instruments[3]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture[1]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exceptions[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]
HKAS 1 (Amendments)	Disclosure Initiative[1]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2017
[3] Effective for annual periods beginning on or after 1 January 2018

The Group is in the process of assessing the potential impact of the new and revised HKFRSs but is not yet in a position to determine whether the new and revised HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. The new and revised HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. Operating segments

The Group's reportable segments have been determined based on the information reported to the Chairman of the Board, being the chief operating decision maker, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they offer and provide. Each of the Group's reportable segments represents a strategic business unit that offers products and provides services which are subject to risks and returns that are different from those of other reportable segments. The Group currently has the following reportable segments:

(a)	Distribution	Distribution of films and sub-licensing of film rights
(b)	Property investment	Leasing of rental properties
(c)	Sale of financial assets	Sale of financial assets
(d)	Money lending	Money lending
(e)	Sale of beauty products and provision of therapy services	Sale of beauty products and provision of therapy services
(f)	Sale of jewelry products	Design and sale of jewelry products

The segment of provision of management services was discontinued in the prior period.

An analysis of the Group's reportable segment results, assets, liabilities and other selected financial information for the six months ended 30 June 2015 and 2014 by operating segments are as follow:

(a) ***Segment results, assets and liabilities***

For the six months ended 30 June 2015

	Continuing operations							Discontinued operations	
	Distribution	Property investment	Sale of financial assets	Money lending	Sale of beauty products and provision of therapy services	Sale of jewelry products	Sub-total	Provision of management services	Consolidated
	HK$'000 (Unaudited)	*HK$'000* (Unaudited)	*HK$'000* (Unaudited)	*HK$'000* (Unaudited)	*HK$'000* (Unaudited)	*HK$'000* (Unaudited)	*HK$'000* (Unaudited)	*HK$'000* (Unaudited)	*HK$'000* (Unaudited)
Revenue									
Segment revenue from external customers	—	—	1,685	35,717	20,703	42,161	100,266	—	100,266
Results									
Segment (loss)/profit	(15)	(1,376)	231,899	35,543	(7,054)	4,018	263,015	—	263,015
Interest income on bank deposits							676	—	676
Unallocated corporate income							405	—	405
Unallocated corporate expenses							(15,255)	—	(15,255)
Gain on disposal of property, plant and equipment							12	—	12
Finance costs							(462)	—	(462)
Profit before taxation							248,391	—	248,391
Income tax expense							(5,644)	—	(5,644)
Profit for the period							242,747	—	242,747

At 30 June 2015

	Continuing operations							Discontinued operations	
	Distribution	Property investment	Sale of financial assets	Money lending	Sale of beauty products and provision of therapy services	Sale of jewelry products	Sub-total	Provision of management services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Assets									
Segment assets for reportable segment									
— Hong Kong	283	7,273	1,046,838	980,866	226,750	71,101	2,333,111	—	2,333,111
— The People's Republic of China (the "PRC")	—	—	—	—	1,337	—	1,337	—	1,337
	283	7,273	1,046,838	980,866	228,087	71,101	2,334,448	—	2,334,448
Unallocated corporate assets									228,541
Consolidated total assets									2,562,989
Liabilities									
Segment liabilities for reportable segment									
— Hong Kong	—	(51)	—	(81)	(112,792)	(26,857)	(139,781)	—	(139,781)
— The PRC	—	—	—	—	(832)	—	(832)	—	(832)
	—	(51)	—	(81)	(113,624)	(26,857)	(140,613)	—	(140,613)
Unallocated corporate liabilities									(37,178)
Consolidated total liabilities									(177,791)

For the six months ended 30 June 2014

	Continuing operations							Discontinued operations	
	Distribution	Property investment	Sale of financial assets	Money lending	Sale of beauty products and provision of therapy services	Sale of jewelry products	Sub-total	Provision of management services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue									
Segment revenue from external customers	—	—	(5,037)	35,957	—	—	30,920	158	31,078
Results									
Segment profit/(loss)	115	1,053	(33,305)	35,499	—	—	3,362	153	3,515
Interest income on bank deposits							2,104	—	2,104
Unallocated corporate income							—	—	—
Unallocated corporate expenses							(16,457)	—	(16,457)
Gain arising on change in fair value upon conversion of convertible notes receivables							28,461	—	28,461
Gain on deemed disposal of an associate							7,669	—	7,669
Gain on disposal of subsidiaries							312	—	312
Gain on early redemption of convertible notes receivables							1,611	—	1,611
Imputed interest income on convertible notes receivables							7,670	—	7,670
Loss arising on change in fair value of conversion options embedded in convertible notes receivables							(4,144)	—	(4,144)
Finance costs							—	—	—
Share of results of associates							(555)	—	(555)
Profit before taxation							30,033	153	30,186
Income tax expense							(4,672)	—	(4,672)
Profit for the period							25,361	153	25,514

At 31 December 2014

	Continuing operations							Discontinued operations	
	Distribution HK$'000 (Audited)	Property investment HK$'000 (Audited)	Sale of financial assets HK$'000 (Audited)	Money lending HK$'000 (Audited)	Sale of beauty products and provision of therapy services HK$'000 (Audited)	Sale of jewelry products HK$'000 (Audited)	Sub-total HK$'000 (Audited)	Provision of management services HK$'000 (Audited)	Consolidated HK$'000 (Audited)
Assets									
Segment assets for reportable segment									
— Hong Kong	253	2,355	987,687	979,249	161,362	44,378	2,175,284	—	2,175,284
— The PRC	—	—	—	—	4	—	4	—	4
	253	2,355	987,687	979,249	161,366	44,378	2,175,288	—	2,175,288
Unallocated corporate assets									68,026
Consolidated total assets									2,243,314
Liabilities									
Segment liabilities for reportable segment									
— Hong Kong	—	(160)	(12,908)	(8,585)	(41,311)	(13,778)	(76,742)	—	(76,742)
— The PRC	—	—	—	—	—	—	—	—	—
	—	(160)	(12,908)	(8,585)	(41,311)	(13,778)	(76,742)	—	(76,742)
Unallocated corporate liabilities									(10,131)
Consolidated total liabilities									(86,873)

(b) Other segment information

For the six months ended 30 June 2015

	Continuing operations								Discontinued operations	
	Distribution *HK$'000* (Unaudited)	Property investment *HK$'000* (Unaudited)	Sale of financial assets *HK$'000* (Unaudited)	Money lending *HK$'000* (Unaudited)	Sale of beauty products and provision of therapy services *HK$'000* (Unaudited)	Sale of jewelry products *HK$'000* (Unaudited)	Unallocated *HK$'000* (Unaudited)	Sub-total *HK$'000* (Unaudited)	Provision of management services *HK$'000* (Unaudited)	Consolidated *HK$'000* (Unaudited)
Amounts included in the measure of segment (loss)/ profit and segment assets										
Depreciation of property, plant and equipment	–	11	–	–	2,353	58	–	2,422	–	2,422
Dividend income	–	–	2,211	–	–	–	–	2,211	–	2,211
Gain arising on change in fair value of financial assets at fair value through profit or loss	–	–	154,580	–	–	–	–	154,580	–	154,580
Gain on disposal of available-for-sale financial assets	–	–	74,378	–	–	–	–	74,378	–	74,378

For the six months ended 30 June 2014

	Continuing operations								Discontinued operations	
	Distribution *HK$'000* (Unaudited)	Property investment *HK$'000* (Unaudited)	Sale of financial assets *HK$'000* (Unaudited)	Money lending *HK$'000* (Unaudited)	Sale of beauty products and provision of therapy services *HK$'000* (Unaudited)	Sale of jewelry products *HK$'000* (Unaudited)	Unallocated *HK$'000* (Unaudited)	Sub-total *HK$'000* (Unaudited)	Provision of management services *HK$'000* (Unaudited)	Consolidated *HK$'000* (Unaudited)
Amounts included in the measure of segment profit/ (loss) and segment assets										
Depreciation of property, plant and equipment	–	8	24	–	–	–	–	32	–	32
Gain on disposal of property, plant and equipment	129	–	–	–	–	–	–	129	–	129
Loss arising on change in fair value of financial assets at fair value through profit or loss	–	–	(28,151)	–	–	–	–	(28,151)	–	(28,151)

(c) Geographical segments – Turnover

	Continuing operations Six months ended 30 June		Discontinued operations Six months ended 30 June	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Australia	**198**	—	**—**	—
Europe	**5,403**	—	**—**	—
Hong Kong	**74,599**	30,920	**—**	—
Macau	**—**	—	**—**	158
Middle East	**1,953**	—	**—**	—
The United States of America	**18,113**	—	**—**	—
	100,266	30,920	**—**	158

4. Investment and other income

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Dividend income	**2,211**	—
Interest income on bank deposits	**676**	2,104
Sundry income	**405**	—
	3,292	2,104

5. Other gains and losses

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	**154,580**	(28,151)
Gain arising on change in fair value upon conversion of convertible notes receivables	—	28,461
Gain on deemed disposal of an associate	—	7,669
Gain on disposal of available-for-sale financial assets	**74,378**	—
Gain on disposal of property, plant and equipment	**12**	129
Gain on disposal of subsidiaries	—	312
Gain on early redemption of convertible notes receivables	—	1,611
Imputed interest income on convertible notes receivables	—	7,670
Loss arising on change in fair value of conversion options embedded in convertible notes receivables	—	(4,144)
	228,970	13,557

6. Profit from operations

Profit from operations has been arrived at after charging:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Depreciation of property, plant and equipment	**2,422**	32
Operating lease rentals in respect of rented premises	**4,071**	804
Share-based payment expenses in respect of consultancy services	—	3,377
Staff costs including directors' emoluments:		
— salaries and other allowances	**21,721**	8,225
— contributions to retirement benefit schemes	**1,071**	55
— share-based payment expenses	—	1,618
	22,792	9,898

7. Finance costs

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Imputed interest on promissory notes	**351**	—
Interest on finance leases	**43**	—
Interest on other borrowings wholly payable within 5 years	**68**	—
	462	—

8. Income tax expense

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Current tax expense		
— Hong Kong Profits Tax	**5,644**	4,672

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2015 (six months ended 30 June 2014: 16.5%).

PRC subsidiaries are subjected to the PRC Enterprise Income Tax at 25% for the six months ended 30 June 2015 (six months ended 30 June 2014: 25%). No provision for the PRC Enterprise Income Tax has been made for the six months ended 30 June 2015 (six months ended 30 June 2014: HK$Nil) as the Group has no estimated taxable profits.

9. Discontinued operations

The provision of management services operations was disposed of on 11 June 2014.

The results and cash flows of the discontinued operations for the current and prior periods were as follows:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Turnover	—	158
Administrative expenses	—	(5)
Profit from operations	—	153
Finance costs	—	—
Profit before taxation	—	153
Income tax expense	—	—
Profit for the period from discontinued operations	—	153
Net cash effect on operating activity	—	—

10. Earnings per share

From continuing operations

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	**244,339**	25,362

	Six months ended 30 June	
	2015	2014
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**549,689**	515,999
Effect of dilutive potential ordinary shares: Share options granted by the Company	**722**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**550,411**	515,999

From discontinued operations

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	**—**	153

	Six months ended 30 June	
	2015	2014
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**549,689**	515,999
Effect of dilutive potential ordinary shares: Share options granted by the Company	**722**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**550,411**	515,999

From continuing and discontinued operations

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	**244,339**	25,515

	Six months ended 30 June	
	2015	2014
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**549,689**	515,999
Effect of dilutive potential ordinary shares: Share options granted by the Company	**722**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**550,411**	515,999

Diluted earnings per share for the six months ended 30 June 2015 is calculated by taking into account the Company's outstanding share options, which were dilutive and had a dilutive effect.

Diluted earnings per share for the six months ended 30 June 2014 was the same as the basic earnings per share as the Company's outstanding share options were anti-dilutive and had no dilutive effect.

11. Loans receivables

	At 30 June 2015	At 31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loans to customers	**826,000**	941,000
Accrued interest receivables	**7,401**	9,549
	833,401	950,549
Less: impairment loss recognised	**—**	—
	833,401	950,549

All loans are denominated in Hong Kong Dollars. The loans receivables carry fixed effective interest ranging approximately from 8% to 15% per annum (year ended 31 December 2014: 8% to 20% per annum). A maturity profile of the loans receivables (net of impairment loss recognised, if any) at the end of the reporting period, based on the maturity date is as follows:

	At 30 June 2015	At 31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current assets		
Within one year	**580,401**	720,549
Non-current assets		
Over one year but within two years	**253,000**	230,000
	833,401	950,549

At 30 June 2015, certain loans amounted to approximately HK$108,000,000 (31 December 2014: HK$206,000,000) are secured by personal guarantees and a property with a fair value of HK$11,700,000.

12. Trade receivables

	At 30 June 2015 HK$'000 (Unaudited)	At 31 December 2014 HK$'000 (Audited)
0 — 30 days	**14,230**	13,549
31 — 60 days	**7,795**	2,783
61 — 90 days	**2,294**	818
91 — 120 days	**4,873**	82
Over 120 days	**1,524**	396
	30,716	17,628
Less: impairment loss recognised	**(396)**	(396)
	30,320	17,232

The Group allows an average credit period ranging from 0 day to 120 days to its customers.

13. Trade Payables

	At 30 June 2015 HK$'000 (Unaudited)	At 31 December 2014 HK$'000 (Audited)
0 — 30 days	**11,510**	7,347
31 — 60 days	**5,342**	2,524
61 — 90 days	**2,528**	3,241
91 — 120 days	**6,697**	20
Over 120 days	**—**	33
	26,077	13,165

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: HK$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the six months ended 30 June 2015, the Group recorded a turnover of HK$100,266,000, a 224.28% increase from HK$30,920,000 for the previous period. This significant increase in turnover was attributable to the acquisition of a controlling interest in EDS Wellness Holdings Limited ("**EDS Wellness**", stock code: 8176), a 70.18% owned subsidiary of the Company, in July 2014 and the commencement of design and sale of jewelry products business in October 2014. Of the total turnover, HK$35,717,000 was generated from money lending, HK$20,703,000 was generated from sale of beauty products and provision of therapy services, HK$42,161,000 was generated from sale of jewelry products and HK$1,685,000 was generated from sale of financial assets. Profit attributable to owners of the Company for the six months ended 30 June 2015 amounted to HK$244,339,000, an 857.63% increase from HK$25,515,000 for the previous period. This significant increase was attributable to the recognition of (i) a gain of HK$154,580,000 arising on change in fair value of financial assets at fair value through profit or loss and (ii) a gain of HK$74,378,000 on disposal of available-for-sale financial assets.

Gross profit and gross profit margin for sale of beauty products and provision of therapy services in the six months ended 30 June 2015 were HK$5,341,000 and 25.80% respectively. Gross profit and gross profit margin for sale of jewelry products in the six months ended 30 June 2015 were HK$7,821,000 and 18.55% respectively.

Investment and other income increased by 56.46% from HK$2,104,000 in the six months ended 30 June 2014 to HK$3,292,000 in the six months ended 30 June 2015. This increase was mainly attributable to the dividend income of HK$2,211,000 received from Hong Kong equities held by the Group during the six months ended 30 June 2015.

Other gains and losses represent items of income and expenses, which are material and/or extraordinary in nature. Major items of other gains recorded by the Group during the six months ended 30 June 2015 are as follows:

(a) In April 2015, the Group disposed of 70,840,000 shares in China Star Cultural Media Group Limited ("**China Star Cultural**", now known as Lajin Entertainment Network Group Limited and stock code: 8172) at an average price of approximately HK$1.41 per share on open market pursuant to the 12-month mandate granted to the directors by the shareholders at the Company's special general meeting held on 13 January 2015 and recognised a gain of HK$74,378,000 on disposal of available-for-sale financial assets.

(b) At the end of the reporting period, the Group measured its equity portfolio at market prices and recognised a gain of HK$154,580,000 arising on change in fair value of financial assets at fair value through profit or loss.

Selling and distribution expenses mainly represent (i) advertising and promotion expenses incurred by the Group's sale of beauty products and provision of therapy services business and (ii) staff costs of sales team and overseas travelling expenses incurred by the Group's design and sale of jewelry business.

Administrative expenses (before depreciation) amounted to HK$29,921,000 for the six months ended 30 June 2015, an 87.46% increase from HK$15,961,000 for the previous period. This increase was mainly attributable to (i) the first half year effect of increase in administrative expenses resulted from the acquisition of a controlling interest in EDS Wellness in July 2014 and the commencement of the Group's design and sale of jewelry products business in October 2014, (ii) the legal and professional fees of HK$1,416,000 incurred by EDS Wellness for the proposed subscription of 345,000,000 new shares in EDS Wellness and 30,000,000 new convertible preferred shares of EDS Wellness (the "**Proposed Subscription**"), the proposed continuing connected transaction, the proposed re-designation of authorised share capital and the proposed amendments to bye-laws announced by EDS Wellness on 15 April 2015 and (iii) the staff costs of HK$1,788,000 incurred by EDS Wellness for employing 38 new staff in Mainland China for developing a new business, namely provision of in-flight WLAN and WIFI engineering and service.

For the six months ended 30 June 2015, Spark Concept Group Limited ("**Spark Concept**"), a 49% owned associate of the Group, and its subsidiaries reported a consolidated loss of HK$432,000. As the Group's share of post-acquisition losses equals to its interests in Spark Concept, no further share of loss was recognised in the six months ended 30 June 2015.

Finance costs represent imputed interest on promissory notes, interest on finance leases and interest on loans incurred by EDS Wellness and its subsidiaries (the "**EDS Wellness Group**").

Liquidity and financial resources

During the six months ended 30 June 2015, the Group funded its operations through a combination of cash generated from operations, equity attributable to owners of the Company and issue of new shares. Equity attributable to owners of the Company increased from HK$2,144,651,000 at 31 December 2014 to HK$2,375,000,000 at 30 June 2015.

At 30 June 2015, the cash and cash equivalents of the Group amounted to HK$671,663,000 (31 December 2014: HK$384,778,000).

At 30 June 2015, the Group had outstanding borrowings of HK$10,277,000 (31 December 2014: HK$10,374,000) representing (i) a loan of HK$7,500,000 granted to EDS Wellness by an independent third party, which is interest bearing at 10.00% per annum, unsecured and maturing on 10 June 2016, (ii) a loan of HK$2,617,000 granted to EDS Wellness by Koffman Investment Limited, a company which is 50% owned by Mr. Yu Zhen Hua Johnny (the former chairman of the board of directors of EDS Wellness and a former director of EDS Wellness), which is interest bearing at 5.00% per annum, unsecured and maturing on 25 August 2015 and (iii) the obligations under finance leases of HK$160,000 of which (1) HK$145,000 is interest bearing at 3.00% per annum and secured by a guarantee from Hong Kong Government, a joint and several guarantee from a director of a subsidiary and an independent third party and the Group's title to the leased assets, and (2) HK$15,000 is non-interest bearing and secured by the Group's title to the leased assets.

Gearing ratio

At 30 June 2015, the gearing ratio calculated as a percentage of total borrowings over equity attributable to owners of the Company was 0.43% (31 December 2014: 0.48%).

Net current assets and current ratio

At 30 June 2015, the Group's net current assets and current ratio were HK$1,971,078,000 (31 December 2014: HK$1,695,226,000) and 12.09 (31 December 2014: 20.52) respectively.

Capital structure

In June 2015, the Company allotted and issued 42,330,000 new shares at a price of HK$0.69 per share pursuant to the exercise of share options granted to a director, the employees and external consultants of the Group.

Use of proceeds from fund raising activities

On 24 January 2013, the Company raised HK$29,931,000 by way of placing of 47,000,000 new shares under general mandate at a price of HK$0.645 per share. The net proceeds from the placing of HK$29,931,000 are intended to be used for property investment in Hong Kong in order to enrich the Group's investment property portfolio. At 30 June 2015, the net proceeds from the placing have not been applied as intended and are placed as interest bearing deposits with a licensed bank in Hong Kong.

Material acquisitions

During the six months ended 30 June 2015, the Group had no material acquisitions.

Material disposals

During the six months ended 30 June 2015, the Group had the following material disposals:

(a) In April 2015, the Group disposed of 1,723,854,545 shares in China Star Entertainment Limited ("**China Star**", stock code: 326) at an average price of approximately HK$0.133 per share pursuant to the 12-month mandate granted to the directors by the shareholders at the Company's special general meeting held on 18 December 2014. The disposal constitutes a major transaction of the Company under the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and was approved by the shareholders at the Company's special general meeting held on 18 December 2014.

(b) In April 2015, the Group disposed of 70,840,000 shares in China Star Cultural at an average price of approximately HK$1.41 per share pursuant to the 12-month mandate granted to the directors by the shareholders at the Company's special general meeting held on 13 January 2015. The disposal constitutes a major transaction of the Company under the Listing Rules and was approved by the shareholders at the Company's special general meeting held on 13 January 2015.

Pledge of assets

At 30 June 2015, the Group's restricted bank deposits of HK$19,759,000 (31 December 2014: HK$19,701,000) were deposits held at banks in respect of credit card and instalment sales arrangement of its sale of beauty products and provision of therapy services business. In addition, the Group's obligations under finance leases were secured by the Group's title to the leased assets, which had an aggregate carrying amount of HK$43,000 (31 December 2014: HK$363,000).

Commitments

At 30 June 2015, the Group had a total commitment of HK$1,959,000,000 relating to:

(a) The subscription of the second tranche of convertible notes to be issued by China Star in the principal amount of HK$300,000,000 pursuant to the conditional subscription agreement dated 21 January 2011 (as amended and supplemented by the supplemental agreements dated 28 March 2011, 29 June 2012 and 31 December 2013 respectively). The subscription of the second tranche of convertible notes is conditional upon the fulfilment of the conditions precedent set out in the conditional subscription agreement, including the availability of sufficient fund by the Company. On 29 June 2012, the completion date of subscription was extended from 30 June 2012 to 31 December 2013. On 31 December 2013, the completion date of subscription was further extended from 31 December 2013 to 31 December 2015.

(b) Loan commitments in the aggregate principal amount of HK$9,000,000 pursuant to the building mortgages and the loan agreements entered into between the Group and its customers.

(c) The consideration of HK$1,650,000,000 for the proposed acquisition of the entire shareholding interest in Smart Title Limited and the assignment of the shareholder's loan due by Smart Title Limited (the "**Proposed Acquisition**") pursuant to the conditional sale and purchase agreement (as amended and supplemented by the supplemental agreements dated 30 March 2015 and 12 June 2015 respectively) entered into between the Company as purchaser, Unique Talent Group Limited, a wholly owned subsidiary of China Jiuhao Health Industry Corporation Limited ("**Jiuhao Health**", stock code: 419), as vendor and Jiuhao Health as guarantor on 11 December 2014. The consideration shall be settled as to (i) HK$600,000,000 by cash and (ii) HK$1,050,000,000 by the issue of a share entitlement note, which entitles the holder thereof to call for the allotment and issue of 1,500,000,000 new shares in Company at a price of HK$0.70 per share. The Proposed Acquisition is conditional upon the fulfilment and/or waiver (as the case may be) of the conditions precedent set out in the conditional sale and purchase agreement dated 11 December 2014 (as amended and supplemented by the supplemental agreements dated 30 March 2015 and 12 June 2015 respectively).

Exchange risk and hedging

As the majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars and United States dollars, the exchange risk of the Group is considered to be minimal. Accordingly, no financial instruments for hedging purposes have been used by the Group.

Contingent liabilities

At 30 June 2015, the Group had the following material contingent liabilities:

(a) On 15 April 2010, a claim was brought by China Finance & Assets Management Limited ("**China Finance**") in High Court Action No. 526 of 2010 against Rexdale Investment Limited ("**Rexdale**"), a wholly owned subsidiary of the Company, for failing to pay a service fee in the sum of HK$25,000,000 to China Finance. No provision for the claim was made in the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2015 as Lafe Corporation Limited has undertaken to indemnify and keep indemnified the Group against any and all losses, claims, damages, penalties, actions, demands, proceeding, judgment and costs arising from or in connection with the claim.

(b) On 20 March 2014, the Company announced that it came to its attention that a writ of summons in High Court Action No. 9 of 2014 was issued by The Grande Holdings Limited (in liquidation), Roderick John Sutton (as joint and several provisional liquidator of The Grande Holdings Limited), Fok Hei Yu (as joint and several provisional liquidator of The Grande Holdings Limited) and 65 other companies listed as plaintiffs against 25 defendants inclusive of One Synergy Limited ("**One Synergy**"), a wholly owned subsidiary of the Company. One Synergy has, as at the date of this interim results announcement, not been served with the writ.

    The action alleges, inter alia, that One Synergy is liable to the plaintiffs as a constructive trustee and/or by way of equitable compensation and/or an accounts of profits and/or restitution and/or damages as a knowing recipient and/or by reason of the knowing or dishonest assistance in the breaches of trust and/or breaches of fiduciary duties by various of the defendants and/or by reason of dealings between One Synergy and the plaintiffs otherwise being voidable (and avoided), void, unlawful or illegal, in respect of its receipt of the shares in The Grande Properties Ltd. (now known as Rexdale).

    Riche (BVI) Limited, a wholly owned subsidiary of the Company, acquired the entire issued share capital of Adelio Holdings Limited, which is the holding company of One Synergy, from Vartan Holdings Limited, an independent third party, pursuant to a sale and purchase agreement dated 25 May 2011. One Synergy acquired the entire issued share capital of Rexdale from Lafe Corporation Limited, being one of the defendants, pursuant to a sale and purchase agreement dated 31 December 2010 (the "**Agreement**"). The entire issued share capital of Rexdale was sold by The Grande (Nominees) Ltd., being one of the plaintiffs, and The Grand Limited to Lafe Corporation Limited on or about 29 June 2007. The principal assets of Rexdale were the whole of the 1st floor and the flat roof, the whole of 6th to 12th floors, roof, external walls, two lavatories, three lorry parking spaces and eight private car parking spaces on the ground floor of an industrial building located in Kwun Tong, Kowloon, Hong Kong with a total gross floor of approximately 139,412 square feet exclusive of lavatories, lorry and private car parking spaces, flat roof and roof (collectively, the "**Kwun Tong Properties**"). The Kwun Tong Properties was sold by Rexdale to Grand Reward Limited, an independent third party, in July 2013.

One Synergy has sought counsel opinion on the writ and has been advised to defend the plaintiffs' claim in the said action. Counsel has advised that, based upon available evidence, there is nothing unusual in the Agreement and One Synergy would not have any express or constructive notice of the plaintiffs' alleged irregularities and/or fraudulent acts of the former directors and/or management officers of the plaintiffs and One Synergy should not be held liable to any part of the plaintiffs' claim and has good and valid defence thereto.

(c) On 23 January 2015, EDS Wellness received a writ of summons in High Court Action No. 200 of 2015 issued by Mr. Shum Yeung ("**Mr. Shum**") as plaintiff against EDS Wellness as defendant for the following claims:

(i) the Judgment in High Court Action No. 1775 of 2012 dated 6 September 2013 (the "**Summary Judgement**"), pursuant to which the Court of First Instance of the High Court of Hong Kong (the "**Court of First Instance**") adjudged that Mr. Shum (1) do pay EDS Wellness the sum of HK$39,128,000 together with contractual interest thereon calculated from day to day at the rate of 30% per annum from 1 May 2013 to 6 September 2013, and thereafter at judgment rate pursuant to s.48 of High Court Ordinance until payment; and (2) shall pay EDS Wellness the costs of the action including the costs of and occasioned by EDS Wellness' application for the Summary Judgement to be taxed if not agreed, entered against Mr. Shum be set aside;

(ii) loss and damages suffered by Mr. Shum as a result of the Summary Judgement being obtained against him;

(iii) an order for discovery upon oath of all matters relating to the Summary Judgement;

(iv) an order for payment of all sums found due to Mr. Shum together with the interest thereon at such rate and for such period as the Court of First Instance may deem just pursuant to the High Court Ordinance;

(v) the costs; and

(vi) further or other relief.

(d) On 30 March 2015, EDS Wellness received a statement of claim in the High Court of Hong Kong filed by Mr. Shum in relation to High Court Action No. 200 of 2015.

Employees and remuneration policy

At 30 June 2015, the headcount of the Group was 121 (2014: 13). Total staff costs (including directors' remuneration) amounted to HK$22,792,000 in the six months ended 30 June 2015 (six months ended 30 June 2014: HK$9,898,000). The increase was attributable to the increase in headcount resulted from (i) the acquisition of a controlling interest in EDS Wellness in July 2014, (ii) the recruitment of 38 new staff in Mainland China by EDS Wellness in May 2015 for developing the provision of in-flight WLAN and WIFI engineering and service business and (iii) the commencement of the design and sale of jewelry products business in October 2014. In addition to basic salaries, provident fund and discretionary bonus, staff benefits include medical scheme and share options.

Operations Review

During the six months ended 30 June 2015, no revenue was generated from the Group's film distribution business as the Group was not able to secure quality films at reasonable prices for distribution.

During the six months ended 30 June 2015, the Group acquired Hong Kong equities with market value of HK$479,173,000. The Group's sale of financial assets business recorded a profit of HK$1,685,000, which represents a gain of HK$5,565,000 on disposal of Hong Kong equities and a loss of HK$3,880,000 on disposal of 1,723,854,545 shares in China Star pursuant to the 12-month mandate granted to the directors by the shareholders at the Company's special general meeting held on 18 December 2014. At 30 June 2015, the Group measured its equity portfolio at market prices and recorded a gain of HK$154,580,000 arising on change in fair value of financial assets at fair value through profit or loss.

During the six months ended 30 June 2015, the Group's money lending business generated interest income on loans of HK$35,717,000, a 0.67% decrease as compared to the previous period. This decrease was attributable to certain customers early repaid their outstanding loans prior to maturity. The average monthly balance of loans receivables decreased from HK$865,963,000 in the six months ended 30 June 2014 to HK$835,000,000 in the six months ended 30 June 2015. During the period under review, the Group granted new loans in the aggregate principal amount of HK$221,000,000 to its customers and received loans repayment of HK$336,000,000 from its customers. At the end of the reporting period, the directors assessed the collectability of loan receivables. As there was no objective evidence that the Group would not be able to collect all amounts due, no impairment loss on loan receivables was recognised. At 30 June 2015, the Group's loans receivables together with accrued interest receivables amounted to HK$833,401,000 (31 December 2014: HK$950,549,000).

The Group has commenced its design and sale of jewelry products business since October 2014. The design and sale of jewelry products business involves product design, sale and marketing, but does not involve manufacturing of jewelry products. The manufacturing of the jewelry products is outsourced to subcontractors, who are independent third parties. The jewelry products comprise rings, earrings, bracelets, bangles, brooches, necklaces and pendants made of diamonds, gemstones, pearls and precious metals. Target customers are mainly jewelry wholesalers and retailers in Hong Kong, Europe, the United States of America and Canada. During the six months ended 30 June 2015, the Group's design and sale of jewelry products business generated a turnover of HK$42,161,000 and reported a profit of HK$2,937,000. At 30 June 2015, the Group's inventories of jewelry products, including raw materials, work-in-progress and finished goods, amounted to HK$39,564,000 and the Group's design and sale of jewelry products business had undelivered sale orders amounted to HK$1,500,000.

The EDS Wellness Group is principally engaged in sale of beauty products and provision of therapy services. During the six months ended 30 June 2015, the EDS Wellness Group generated a turnover of HK$20,703,000 and incurred a loss of HK$7,458,000, of which HK$5,867,000 was attributable to owners of the Company. Of the total turnover, HK$2,124,000 was generated from sale of beauty products and HK$18,579,000 was generated from provision of therapy services. The reporting of a loss of HK$7,458,000 by the EDS Wellness Group was mainly attributable to (i) a substantial decrease in the sale of personal care products under the brand name "Evidens de Beauté" resulted the slowdown of the growth of Mainland China visitors and the weakening of Mainland China tourists' spending power, (ii) the legal and professional fees of HK$1,416,000 incurred by EDS Wellness for the Proposed Subscription, the proposed continuing connected transaction, the proposed re-designation of authorised share capital and the proposed amendments to bye-laws announced by EDS Wellness on 15 April 2015 and (iii) the staff costs of HK$1,788,000 incurred by EDS Wellness for employing 38 new staff in Mainland China for developing the provision of in-flight WLAN and WIFI engineering and service business.

On 28 June 2013, the shareholders granted a 12-month mandate to the directors for disposing of the shares in China Star held by the Group. The Group disposed of 2,369,934,650 shares in China Star under the 12-month mandate granted on 28 June 2013. Such 12-month mandate was expired on 27 June 2014. On 7 November 2014, the directors proposed to seek approvals from the shareholders for granting another 12-month mandate to the directors for disposing of the remaining 1,723,854,545 shares in China Star held by the Group. The 12-month disposal mandate for disposing of the remaining 1,723,854,545 shares in China Star constitutes a major transaction of the Company and was approved by the shareholders at the special general meeting of the Company on 18 December 2014. In April 2015, the Group disposed of 1,723,854,545 shares in China Star at an average selling price of approximately HK$0.133 per share and recognised a loss of HK$3,880,000 in its sale of financial assets business. At 30 June 2015, the Group did not held any shares in China Star.

On 5 December 2014, the directors proposed to seek approvals from the shareholders for granting a 12-month mandate to the directors for disposing of up to 146,640,000 shares in China Star Cultural held by the Group. The 12-month disposal mandate for disposing of up to 146,640,000 shares in China Star Cultural constitutes a major transaction of the Company and was approved by the shareholders at the special general meeting of the Company on 13 January 2015. Prior to the approval of the 12-month disposal mandate, the Group disposed of 75,800,000 shares in China Star Cultural in a series of transactions on open market on 19 December 2014. In April 2015, the Group disposed of the remaining 70,840,000 shares in China Star Cultural at average selling price of approximately HK$1.41 per share. As a result, the Group recognised a gain of HK$74,378,000 on disposal of available-for-sale financial assets. At 30 June 2015, the Group did not held any shares in China Star Cultural.

To expand its property investment business into Mainland China, the Company as purchaser entered into a conditional sale and purchase agreement with Unique Talent Group Limited as vendor and Jiuhao Health as guarantor relating to the Proposed Acquisition on 11 December 2014. On 30 March 2015, the parties to the conditional sale and purchase agreement entered into a supplemental agreement in relation to the amendments of the forms of the club lease agreement and the share entitlement note attached to the conditional sale and purchase agreement. On 12 June 2015, the parties to the conditional sale and purchase agreement entered into another supplemental agreement in relation to the extension of the long stop date of the conditional sale and purchase agreement. Smart Title Limited and its subsidiaries have two major assets, which are (i) the rights to manage and operate a membership-based golf club and resort in Beijing (the "**Club**") up to 31 December 2051 and (ii) the rights to develop and operate a land adjacent to the Club (the "**Subject Land**") and the rights to manage the properties erected on the Subject Land up to 30 January 2062. Both the Club and the Subject Land are located in Beijing. The Subject Land is intended to be developed into a low-density deluxe hotel villas community and a high-end hotel apartment complex. The Group intends to hold the Club and the Subject Land as long-term investments for rental purposes. The consideration of HK$1,650,000,000 for the Proposed Acquisition shall be settled as to (i) HK$600,000,000 by cash and (ii) HK$1,050,000,000 by the issue of the share entitlement note, which entitles the holder thereof to call for the allotment and issue of 1,500,000,000 new shares in Company at a price of HK$0.70 per share. For the cash consideration of HK$600,000,000, HK$402,702,000 will be financed by the net proceeds from the proposed rights issue announced by the Company on 15 May 2015, HK$114,300,000 will be financed by the rental income for the first five years of RMB90,000,000 (equivalent to HK$114,300,000) under the club lease agreement to be entered into between the Group and Jiuhao Health upon completion of the Proposed Acquisition and the balance of HK$82,998,000 will be financed by the Group's internal resources. At 30 June 2015, a refundable deposit of HK$60,000,000 has been paid to Jiuhao Health. The conditional sale and purchase agreement dated 11 December 2014 (as amended and supplemented by the supplemental agreements dated 30 March 2015 and 12 June 2015 respectively) and the transactions contemplated thereunder constitute (i) a very substantial acquisition of the Company under the Listing Rules and (ii) the issue of new shares under specific mandate, which are subject to the approval of the shareholders of the Company in accordance with the requirements of the Listing Rules. The circular for convening the special general meeting for approving the conditional sale and purchase agreement dated 11 December 2014 (as amended and supplemented by the supplemental agreements dated 30 March 2015 and 12 June 2015 respectively) is being prepared by the Company and will be despatched to the shareholders as soon as practicable.

On 11 February 2015, the Group as purchaser entered into a conditional sale and purchase agreement with an independent third party as vendor in relation to a proposed acquisition of approximately 74.63% of the issued share capital of a company listed on the Growth Enterprise Market of the Stock Exchange (the "**Target Company**") which constitutes a very substantial acquisition for the Company under the Listing Rules and lead to a change in control of the Target Company and the Group may be required to make a mandatory general offer under the Hong Kong Code on Takeovers and Mergers in cash for all the shares and relevant securities of the Target Company (other than those already owned by or agreed to be acquired by the Group and parties acting in concert in it). On 20 May 2015, the Company announced that on 19 May 2015, the parties to the conditional sale and purchase agreement entered into a termination agreement, pursuant to which, the parties to the conditional sale and purchase agreement mutually, irrevocably and unconditionally agreed that the conditional sale and purchase agreement be terminated and cease to have any effect. Since the issues raised by the Stock Exchange concerning the level of operations of the remaining subsidiaries of the Target Company which will not be disposed are unlikely to be resolved for the time being and given the longstop date for fulfilling all the conditions precedent under the conditional sale and purchase agreement will fall on 22 June 2015 (unless it is otherwise extended by the parties), the parties to the conditional sale and purchase agreement consider that it is unlikely that such conditions precedent can be fulfilled by the longstop date under the current situation. As the prolonged suspension of trading in the shares of the Company is not in the interests of the Company and its shareholders as a whole, the Company decided to enter into the termination agreement.

With a view to improve its profitability, EDS Wellness as issuer entered into a conditional subscription agreement with six investors as subscribers relating to the Proposed Subscription on 17 February 2015. The directors believe that the entering into of the conditional subscription agreement represents a good opportunity for EDS Wellness to (i) raise a substantial amount of additional funds for future business development in in-flight WLAN and WIFI engineering and service business in Mainland China which is in a segment difference from the existing business of EDS Wellness, (ii) improve its financial position and liquidity and (iii) leverage on the expertise and business network of Mr. Cai Zhaoyang, who is the majority shareholder and the sole director of the major subscriber, to take advantage of the expected strong growth in the avionic engineering and service sector in Mainland China. Upon completion of the Proposed Subscription, the Group is deemed to dispose of a substantial percentage in its shareholding interest in EDS Wellness and EDS Wellness will cease to be a subsidiary of the Company. The Group's investment in EDS Wellness will be accounted for as available-for-sale investment. The directors consider that, following the completion of the Proposed Subscription, the Group as a shareholder holding its investment in EDS Wellness will continue to benefit from the increase in market price of shares in EDS Wellness driven by the improvement in EDS Wellness' profitability. On 19 June 2015, the parties to the conditional subscription agreement entered into a supplemental agreement in relation to the extension of the longstop date of the conditional subscription agreement. On 28 August 2015, the parties to the conditional subscription agreement entered into another supplemental agreement in relation to the further extension of the longstop date of the conditional subscription agreement. The conditional subscription agreement dated 17 February 2015 (as amended and supplemented by the supplemental agreements dated

19 June 2015 and 28 August 2015 respectively) and the transactions contemplated thereunder are subject to the approval of the independent shareholders of EDS Wellness in accordance with the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange. The conditional subscription agreement dated 17 February 2015 (as amended and supplemented by the supplemental agreements dated 19 June 2015 and 28 August 2015 respectively) and the transactions contemplated thereunder also constitute a major transaction of the Company under the Listing Rules and are subject to the approval of the shareholders of the Company in accordance with the requirements of the Listing Rules. The circulars for convening the special general meetings for approving the conditional subscription agreement dated 17 February 2015 (as amended and supplemented by the supplemental agreements dated 19 June 2015 and 28 August 2015 respectively) are being prepared by the Company and EDS Wellness and will be despatched to the shareholders of the Company and EDS Wellness as soon as practicable.

On 15 May 2015, the Company announced the proposed issue of not less than 547,673,243 new shares and not more than 593,921,844 new shares by way of rights to the qualifying shareholders of the Company on the basis of one new share for every one existing share held on 28 July 2015 at a subscription price of HK$0.70 per share. The proposed rights issue is one of the conditions precedents to complete the Proposed Acquisition. The proposed rights issue was expected to raise not less than HK$373,100,000 but not more than HK$405,470,000 (net of expenses). The net proceeds from the proposed rights issue are used for financing the Proposed Acquisition. The proposed rights issue was approved by the shareholders, other than the directors and their respective associates at the special general meeting of the Company held on 16 July 2015. The proposed rights issue was completed on 24 August 2015.

Spark Concept and its subsidiaries (collectively, the "**Spark Concept Group**") are operating three Japanese noodle shops in Central, Quarry Bay and Hunghom. During the six months ended 30 June 2015, the Spark Concept Group reported a loss of HK$432,000, a 35.00% increase from HK$320,000 for the correspondence period in 2014. As the Group's share of post-acquisition losses equals to its interests in Spark Concept, no further share of losses was recognised for the period under review. In spite of raising food and staff costs, the Spark Concept Group still achieved a cashflow breakeven in its operation in the six months ended 30 June 2015. During the six months ended 30 June 2015, no further cash was advanced to the Spark Concept Group by its shareholders. At 30 June 2015, the Spark Concept Group owed the Group an amount of HK$7,393,000 (before impairment of HK$3,865,000), which is unsecured, non-interest bearing and repayable on demand. On 30 June 2015, the Spark Concept Group as purchaser entered into a sale and purchase agreement with an independent third party as vendor in relation to the sale and purchase of the entire issued share capital of and the shareholder's loan due by a company incorporated in Hong Kong with limited liability at a consideration of HK$600,000. The acquisition is for the purpose of opening a high-end Japanese restaurant in Central. The high-end Japanese restaurant is expected to be opened in October 2015.

Future Prospects

As the Federal Reserve is still expected to raise its policy rate before the end of 2015, the Hong Kong equity market faces the challenges from a strong United States dollars and potential volatility from the Federal Reserve's policy normalisation. In addition, concerns over Mainland China's slowing economy sparked market corrections in all major equity markets in August 2015. Accordingly, the directors expect the Hong Kong equity market remains volatile in the remainder of 2015. The directors will cautiously monitor the equity market, change the Group's equities portfolio mix from time to time and realise the Group's equities into cash as and when appropriate. The Group will continue to adopt a conservative investment approach to its sale of financial assets business in 2015.

The new round of mortgage-tightening measures targeting small to medium size flats rolled out by the Hong Kong Monetary Authority in February 2015 to cool the overheated housing market did not weaken market sentiment. Property prices have continued to break new records. The directors expect the property prices will remain at the current expensive level, instead of experiencing a drastic decline, in 2015. The directors believe that, if the property prices continue to grow by another 5% to 10% in the next few months, further cooling measures will be rolled out by the Hong Kong Monetary Authority. As such, the Group has adopted a wait-and-see approach towards its property investment business in Hong Kong. For the expansion of the Group's property investment business into Mainland China, it is expected that the Proposed Acquisition will be completed in the third quarter of 2015.

With the active expansion in the second half of 2013 and the first half of 2014, the Group's money lending business recorded a significant growth in the year ended 31 December 2014 as compared to the previous year. The Group will slow down its pace of expanding money lending business in 2015 as certain internal cash resources of the Group will be allocated to finance the operations of Smart Title Limited and its subsidiaries, if the Proposed Acquisition is completed. Therefore, it is expected that there will be a decrease in interest income on loans in 2015 as compared to 2014.

According to the Census and Statistic Department, the total retail sales in Hong Kong for the first quarter of 2015 were down by 2.3% year-on-year. With the implementation of a tightened policy on Chinese tourists in response to mounting concern on capacity constraints, the directors do not expect any growth in EDS Wellness' sale of beauty products and provision of therapy services in 2015.

The Group's design and sale of jewelry products business recorded a positive result since its commencement in October 2014. Consumer spending in the countries where the Group's target customers locate were weak in the first quarter of 2015. As the current economic indicators suggest the economies of these countries are finding momentum in the second quarter, consumer spending in these countries rebounded stronger than expected in recent months. The directors predict consumer spending in these countries could be fairly strong in 2015 as low inflation gives households more disposable income to spend. Accordingly, the directors anticipate that the sales volume will show a moderate growth in 2015. In order to solidify the foundation of the Group's design and sale of jewelry products business, business plans, which include setting up overseas subsidiaries and participating overseas tradeshows and exhibitions, are being formulated for increasing direct export sales to jewelry wholesalers and retailers in Europe and the Middle East.

Events after the Reporting Period

Subsequent to 30 June 2015 and up to the date of this interim results announcement, the Group had the following material events:

(a) On 24 August 2015, the proposed rights issue of 590,003,243 new shares to the qualifying shareholders of the Company on the basis of one new share for every one existing share held on 28 July 2015 at a subscription price of HK$0.70 per share was completed.

(b) Sparked by concerns over Mainland China's slowing economy continued to affect global markets, Hong Kong equities fell significantly in August 2015. As a result, the fair value of the Group's financial assets at fair value through profit or loss decreased from HK$786,831,000 as at 30 June 2015 to HK$591,526,000 as at the date of this interim results announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with the code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2015, except for:

(a) code provision A.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the six months ended 30 June 2015, Mr. Lei Hong Wai has taken up the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Lei possesses essential leadership skills and has extensive experience in corporate management and business development. The Board is of the view that currently vesting the roles of the Chairman and the Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies; and

(b) code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company are not appointed for a specific term, but are subject to retirement from office by rotation and re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that such provision is sufficient to meet the underlying objective of this code provision.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules for securities transactions by the directors of the Company. Having made specific enquires, all members of the Board have confirmed that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2015.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

REVIEW OF FINANCIAL INFORMATION

The audit committee has reviewed the 2015 interim report and the unaudited condensed consolidated financial statements for the six months ended 30 June 2015 and agreed to the accounting principles and policies adopted by the Company. In addition, the Company's external auditor, HLB Hodgson Impey Cheng Limited, has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2015 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By Order of the Board
Eternity Investment Limited
Lei Hong Wai
Chairman

Hong Kong, 28 August 2015

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai, Elton, Mr. Chan Kin Wah, Billy and Mr. Cheung Kwok Fan; and three independent non-executive directors, namely, Mr. Wan Shing Chi, Mr. Ng Heung Yan and Mr. Wong Tak Chuen.