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LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED
枋濬國際集團控股有限公司
(a company incorporated in the Cayman Islands with limited liability)
(Stock Code: 1355)

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS
PERIOD ENDED 30 JUNE 2017

The board (the “**Board**”) of directors (the “**Directors**”) of Legend Strategy International Holdings Group Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries for the period ended 30 June 2017 (the “**Interim Results**”). This announcement contains the full text of the interim report of the Company for the period ended 30 June 2017 (the “**Interim Report**”) and the contents were prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Interim Results have been reviewed by the audit committee of the Board. This announcement is published on the websites of the Company (www.legend-strategy.com) and the Stock Exchange (www.hkexnews.hk). The Interim Report will be despatched to the shareholders of the Company and will also be made available at the abovementioned websites in due course.

By Order of the Board
Legend Strategy International Holdings
Group Company Limited
Huang Yun
Executive Director

Hong Kong, 29 August 2017

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Huang Yun

Mr. Dai Lifeng

Mr. Wu Li Xin

Mr. Min Zhi Dong

Non-executive Directors:

Mr. Lu Zefeng

Mr. Chung Wai Man

Independent non-executive Directors:

Mr. Cheng Chai Fu

Mr. Tso Hon Sai Bosco

Mr. Wong Yiu Kit Ernest

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Corporate Information

DIRECTORS

Executive Directors

Mr. Huang Yun
 Mr. Dai Lifeng
 Mr. Wu Li Xin
 Mr. Min Zhi Dong (Appointed on 1 April 2017)

Non-executive Directors

Mr. Lu Zefeng
 Mr. Chung Wai Man (Appointed on 13 February 2017)

Independent Non-executive Directors

Mr. Tso Hon Sai Bosco
 Mr. Wong Yiu Kit Ernest
 Mr. Cheng Chai Fu (Appointed on 9 March 2017)

COMPANY SECRETARY

Mr. Chung Tin Yan (Appointed on 13 February 2017)
 Mr. Chung Wai Man (Resigned on 13 February 2017)

AUTHORISED REPRESENTATIVES

Mr. Huang Yun
 Mr. Chung Tin Yan (Appointed on 13 February 2017)
 Mr. Chung Wai Man (Resigned on 13 February 2017)

AUDIT COMMITTEE

Mr. Wong Yiu Kit Ernest (Chairman) (Re-designated as Chairman of Audit Committee on 9 March 2017)
 Mr. Tso Hon Sai Bosco
 Mr. Cheng Chai Fu (Appointed on 9 March 2017)

NOMINATION COMMITTEE

Mr. Tso Hon Sai Bosco (Chairman)
 Mr. Wong Yiu Kit Ernest
 Mr. Cheng Chai Fu (Appointed on 9 March 2017)

REMUNERATION COMMITTEE

Mr. Cheng Chai Fu (Chairman) (Appointed on 9 March 2017)
 Mr. Tso Hon Sai Bosco
 Mr. Wong Yiu Kit Ernest
 (Ceased to serve as Chairman on 9 March 2017)

公司資料

董事

執行董事

黃雲先生
 戴立峰先生
 吳立新先生
 閔志東先生(於二零一七年四月一日獲委任)

非執行董事

陸澤峰先生
 鍾偉文先生(於二零一七年二月十三日獲委任)

獨立非執行董事

曹漢璽先生
 黃耀傑先生
 鄭濟富先生(於二零一七年三月九日獲委任)

公司秘書

鍾天昕先生(於二零一七年二月十三日獲委任)
 鍾偉文先生(於二零一七年二月十三日辭任)

授權代表

黃雲先生
 鍾天昕先生(於二零一七年二月十三日獲委任)
 鍾偉文先生(於二零一七年二月十三日辭任)

審核委員會

黃耀傑先生(主席)(於二零一七年三月九日
 調任為審核委員會主席)
 曹漢璽先生
 鄭濟富先生(於二零一七年三月九日獲委任)

提名委員會

曹漢璽先生(主席)
 黃耀傑先生
 鄭濟富先生(於二零一七年三月九日獲委任)

薪酬委員會

鄭濟富先生(主席)
 (於二零一七年三月九日獲委任)
 曹漢璽先生
 黃耀傑先生(於二零一七年三月九日辭任主席)

PRINCIPAL BANKERS**The People's Republic of China**

Industrial Bank Co. Ltd.

Hong Kong

Hang Seng Bank Limited
Bank of China (Hong Kong) Limited

AUDITORS

ZHONGHUI ANDA CPA Limited

LEGAL ADVISERS

Chiu & Partners

REGISTERED OFFICE

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THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
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主要往來銀行**中華人民共和國**

興業銀行股份有限公司

香港

恒生銀行有限公司
中國銀行(香港)有限公司

核數師

中匯安達會計師事務所有限公司

法律顧問

趙不渝 馬國強律師事務所

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
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KY1-1111
Cayman Islands

總部及香港主要營業地點

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開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
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Legend Strategy International Holdings Group Company Limited
枋濬國際集團控股有限公司

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
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COMPANY'S WEBSITE

www.legend-strategy.com
www.welcomeinn.com.cn

STOCK CODE

1355

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香港
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股份代號

1355

Independent Review Report



TO THE BOARD OF DIRECTORS OF LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 7 to 21 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

獨立審閱報告

致劬濟國際集團控股有限公司董事會

(於開曼群島註冊成立之有限公司)

緒言

我們已審閱載於第7至21頁之中期財務資料，當中包括 貴公司於二零一七年六月三十日之簡明綜合財務狀況表以及截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及主要會計政策概要及其他解釋附註。香港聯合交易所有限公司證券上市規則規定編製中期財務資料須遵守其中有關條文及香港會計師公會（「香港會計師公會」）頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）。董事負責根據香港會計準則第34號編製及呈列本中期財務資料。我們的責任是根據我們的審閱對本中期財務資料作出意見，按照我們的協定委聘條款，僅向董事會整體報告，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔責任。

SCOPE OF REVIEW

We conducted our review 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 HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the condensed financial statements which states that the Group incurred a loss of HK\$24,493,858 for the six months ended 30 June 2017. As at 30 June 2017, the Group's net current liabilities, net liabilities and bank and cash balance were HK\$49,582,194, HK\$11,353,287 and HK\$9,674,712 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Ng Ka Lok

Practising Certificate Number P06084

Hong Kong, 29 August 2017

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師審閱中期財務資料」進行審閱。對中期財務資料的審閱包括主要對財務及會計負責人員作出查詢，並採用分析及其他審閱程序。審閱的範圍遠小於根據香港核數準則進行的審核，且因此無法使我們確保我們會知悉在審核中可能發現的所有重大事宜。因此，我們並不發表審核意見。

結論

根據我們的審閱，我們並無發現任何事項導致我們認為中期財務資料在所有重大方面並無根據香港會計準則第34號編製。

與持續經營相關的重大不確定因素

我們注意到簡明財務報表附註2，其中顯示貴集團於截至二零一七年六月三十日止六個月錄得24,493,858港元的虧損。於二零一七年六月三十日，貴集團的淨流動負債、淨負債以及銀行及現金結餘分別為49,582,194港元、11,353,287港元及9,674,712港元。該等狀況顯示可能存在令貴集團能否持續經營嚴重成疑之重大不明朗因素。我們在此方面並無保留意見。

中匯安達會計師事務所有限公司

執業會計師

吳家樂

執業牌照號碼 P06084

香港，二零一七年八月二十九日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2017

簡明綜合損益及其他全 面收益表

截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
	Notes 附註	2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)	
Revenue	收益	5	7,020,868	8,524,044
Operating lease expenses	經營租賃開支		(7,401,888)	(5,793,811)
Depreciation of property, plant and equipment	物業、廠房及 設備折舊		(1,733,085)	(1,161,073)
Amortisation of other asset	其他資產攤銷		(960,000)	—
Employee benefit expenses	僱員福利開支		(11,561,573)	(9,622,464)
Utilities	公用設施		(463,627)	(634,424)
Other operating expenses	其他營運開支		(5,035,936)	(9,288,486)
Written off of prepaid operating leases	撇銷預付經營租賃		—	(9,256,946)
Provision of other receivables	其他應收款項撥備		—	(18,700,000)
Written off of property, plant and equipment	撇銷物業、廠房及設備		—	(29,846,967)
Other income	其他收入		75,797	1,033,530
Operating loss	營運虧損		(20,059,444)	(74,746,597)
Finance costs	融資成本	6	(4,018,941)	(596,170)
Loss before tax	除稅前虧損		(24,078,385)	(75,342,767)
Income tax expenses	所得稅開支	7	(415,473)	—

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2017

簡明綜合損益及其他全面收益表 (續)

截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)
	Notes 附註		
Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損	8	
		(24,493,858)	(75,342,767)
Other comprehensive income:	其他全面收益：		
<i>Items that may be reclassified to profit or loss:</i>	可能重新分類至損益之項目：		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	313,649	130,516
Other comprehensive income for the period, net of tax	期內其他全面收益，除稅後	313,649	130,516
Total comprehensive loss for the period attributable to owners of the Company	本公司擁有人應佔期內全面虧損總額	(24,180,209)	(75,212,251)
Loss per share	每股虧損	10	
Basic and diluted (Hong Kong cents)	基本及攤薄 (港仙)	(6.22)	(19.15)

Condensed Consolidated Statement of Financial Position

As at 30 June 2017

簡明綜合財務狀況表

於二零一七年六月三十日

		Notes 附註	30 June 2017 二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	14,638,801	9,167,109
Deposits	按金	12	23,988,000	23,988,000
Rental deposits	租賃按金	12	3,350,606	3,241,518
Prepayment and other receivables	預付款項及其他應收款項	12	800,000	7,180,044
Other asset	其他資產		1,440,000	2,400,000
Deferred income tax assets	遞延所得稅資產		3,187,371	3,187,371
			47,404,778	49,164,042
Current assets	流動資產			
Trade receivables	應收賬款	13	74,397	64,555
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	12	2,733,462	21,762,008
Bank and cash balances	銀行及現金結餘		9,674,712	10,100,000
			12,482,571	31,926,563
Current liabilities	流動負債			
Convertible bonds	可換股債券	14	53,705,927	53,152,913
Trade and other payables	應付賬款及其他應付款項	15	6,230,596	9,796,604
Current income tax liabilities	當期所得稅負債		1,468,597	1,518,650
Provision for asset retirement	報廢資產復原撥備		659,645	659,645
			62,064,765	65,127,812

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表 (續)

(Continued)

As at 30 June 2017

於二零一七年六月三十日

		Notes 附註	30 June 2017 二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Net current liabilities	淨流動負債		(49,582,194)	(33,201,249)
Total assets less current liabilities	資產總值減流動負債		(2,177,416)	15,962,793
Non-current liabilities	非流動負債			
Provision for asset retirement	報廢資產復原撥備		3,135,871	3,135,871
Borrowing	借款	16	6,040,000	—
			9,175,871	3,135,871
NET (LIABILITIES)/ASSETS	(負債淨額)/資產淨值		(11,353,287)	12,826,922
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔資本及儲備			
Share capital	股本		3,935,250	3,935,250
Reserves	儲備		(15,288,537)	8,891,672
TOTAL (DEFICIT)/EQUITY	(虧絀)/權益總額		(11,353,287)	12,826,922

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

簡明綜合權益變動表

截至二零一七年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Exchange reserve	Statutory reserve	Convertible bonds equity reserve	Other reserve	Shareholder's contributions	Accumulated losses	Total	
		股本	股份溢價	匯兌儲備	法定儲備	可換股債券權益儲備	其他儲備	股東注資	累計虧損	總額	
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
		港元	港元	港元	港元	港元	港元	港元	港元	港元	
At 1 January 2016 (Audited)	於二零一六年一月一日 (經審核)	3,935,250	204,694,080	2,373,730	1,742,763	—	8,020,110	20,751,024	(134,149,267)	107,367,690	
Total comprehensive loss for the period	期內全面虧損總額	—	—	130,516	—	—	—	—	(75,342,767)	(75,212,251)	
Issue of convertible bonds	發行可換股債券	—	—	—	—	4,385,040	—	—	—	4,385,040	
Issue cost of convertible bonds	可換股債券發行成本	—	—	—	—	(83,548)	—	—	—	(83,548)	
At 30 June 2016 (Unaudited)	於二零一六年六月三十日 (未經審核)	3,935,250	204,694,080	2,504,246	1,742,763	4,301,492	8,020,110	20,751,024	(209,492,034)	36,456,931	
At 1 January 2017 (Audited)	於二零一七年一月一日 (經審核)	3,935,250	204,694,080	1,820,703	1,742,763	4,301,492	8,020,110	20,751,024	(232,438,500)	12,826,922	
Total comprehensive loss for the period	期內全面虧損總額	—	—	313,649	—	—	—	—	(24,493,858)	(24,180,209)	
At 30 June 2017 (Unaudited)	於二零一七年六月三十日 (未經審核)	3,935,250	204,694,080	2,134,352	1,742,763	4,301,492	8,020,110	20,751,024	(256,932,358)	(11,353,287)	

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

簡明綜合現金流量表

截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用的現金淨額	(20,931,635)	(61,884,031)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Deposit paid for proposed acquisition of a hotel	建議收購一間酒店之已付按金	—	(23,988,000)
Refundable deposit received from enhancements of hotels	酒店裝修之已收可退換按金	21,000,000	—
Other investing activities	其他投資活動	(2,628,663)	(2,588,714)
Purchases of property, plant and equipment	購買物業、廠房及設備	(5,968)	—
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	投資活動所得／(所用)現金淨額	18,365,369	(26,576,714)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Prepayment for convertible bonds interest	償還可換股債券利息	(4,080,000)	—
Net proceeds from issue of convertible bonds	就發行可換股債券之所得款項淨額	—	50,000,000
Net proceeds from borrowing	借款之所得款項淨額	6,000,000	—
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得的現金淨額	1,920,000	50,000,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(646,266)	(38,460,745)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初的現金及現金等價物	10,100,000	47,612,022
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變化影響	220,978	420,525
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY Bank and cash balances	期終的現金及現金等價物，指銀行及現金結餘	9,674,712	9,571,802

Notes to the Condensed Financial Statements

For the six months ended 30 June 2017

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Room 3006-10, 30/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group is principally engaged in the budget hotel operations in the People's Republic of China (the "PRC") and provision of financial services.

2. GOING CONCERN

During the six months ended 30 June 2017, the Group incurred a loss of HK\$24,493,858. As at 30 June 2017, the Group's net current liabilities, net liabilities and bank and cash balance were HK\$49,582,194, HK\$11,353,287 and HK\$9,674,712 respectively. The substantial shareholder, Mr. Ding Yifan, has agreed to provide adequate funds for the Group to meet its liabilities as they fall due.

After the end of the reporting period, the Company's controlling owner, China Medical Overseas Limited, has advanced an unsecured shareholder's loan ("Shareholder's loan") in the amount of HK\$5,500,000 to the Company which is on normal commercial terms or better to the Group. Such shareholder's loan is for a term of 3 years and carries interest at the rate of 8% per annum. Moreover, on top of the above Shareholder's loan, China Medical Overseas Limited has also made available a credit facility up to the amount of HK\$20,000,000 to the Company under substantially the same terms with the Shareholder's loan which the Company may request for drawdown at any time prior to 31 March 2018.

In order to improve the Group's operating performance and alleviate its liquidity risk, management is implementing measures to control costs and contain capital expenditures. Further investments in hotel operations will be made only when the Group has sufficient financial resources after meeting its day-to-day working capital and other capital commitment requirements.

The Company's directors have reviewed the Group's cash flow projections. The cash flow projections cover a period of twelve months from 30 June 2017. In the opinion of the directors, based on these cash flow projections and in light of the above, the Group will have sufficient financial resources in the coming twelve months to meet its financial obligations as and when they fall due. Accordingly, the directors are satisfied that it is appropriate to prepare the condensed financial statements on a going concern basis.

簡明財務報表附註

截至二零一七年六月三十日止六個月

1. 一般資料

本公司於開曼群島註冊成立為有限公司。註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。主要營業地點地址為香港灣仔港灣道26號華潤大廈30樓3006-10室。本公司股份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。本集團主要於中華人民共和國(「中國」)從事經營經濟型酒店及從事提供金融服務。

2. 持續經營

截至二零一七年六月三十日止六個月，本集團產生虧損24,493,858港元。於二零一七年六月三十日，本集團流動負債淨額、負債淨額以及銀行及現金結餘分別為49,582,194港元、11,353,287港元及9,674,712港元。主要股東丁一凡先生已同意為本集團提供足夠資金，以償還到期之負債。

於報告期末後，本公司的控股股東中華醫學海外有限公司按一般商業條款或更有利於本集團的條款，向本公司墊付一筆金額為5,500,000港元的無抵押股東貸款(「股東貸款」)。該股東貸款為期三年並按年利率8%計息。此外，除上述股東貸款外，中華醫學海外有限公司亦已根據與股東貸款大致相同的條款向本公司提供金額最多為20,000,000港元的信貸融資額度，可由本公司於二零一八年三月三十一日前隨時要求提取。

為改善本集團的經營表現及減輕流動資金風險，管理層正實施控制成本及限制資本開支的措施。僅當本集團在滿足日常營運資金及其他資本承擔需求後仍擁有足夠的財務資源時，方會進一步投資酒店業務。

本公司董事已審閱本集團的現金流量預測。該等現金流量預測涵蓋自二零一七年六月三十日起計十二個月期間。董事認為，根據該等現金流量預測以及鑒於上文所述，本集團將具備足夠的財務資源，可履行未來十二個月到期應付的財務責任。因此，董事信納，按持續經營基準編製簡明財務報表乃屬恰當。

3. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed financial statements should be read in conjunction with the 2016 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2016.

4. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

5. SEGMENT INFORMATION

The segment information for the reportable segment for the period is as follows:

3. 編製基準

該等簡明財務報表乃按香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」及聯交所證券上市規則規定之適用披露規定而編製。

該等簡明財務報表應與二零一六年度財務報表一併閱讀。編製該等簡明財務報表時使用的會計政策及計算方法與截至二零一六年十二月三十一日止年度的年度財務報表所使用者一致。

4. 採納新訂及經修訂的香港財務報告準則

於本期間，本集團已採納香港會計師公會頒佈的與其經營有關且於二零一七年一月一日起之會計年度生效的全部新訂及經修訂的香港財務報告準則（「香港財務報告準則」）。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納上述新訂及經修訂的香港財務報告準則對本集團之會計政策、本集團於本期間及過往年度的財務報表呈列及所報告金額並無重大影響。

本集團並未採用已頒佈但尚未生效的新訂及經修訂香港財務報告準則。本集團已開始評估該等新訂及經修訂香港財務報告準則的影響，但並未能就此等新訂及經修訂香港財務報告準則是否會對其經營業績及財務狀況產生重大影響發表意見。

5. 分部資料

期內，可呈報分部的分部資料載列如下：

		Hotel operations 酒店營運 HK\$ 港元 (Unaudited) (未經審核)	Financial services 金融服務 HK\$ 港元 (Unaudited) (未經審核)	Total 總額 HK\$ 港元 (Unaudited) (未經審核)
<i>Six months ended 30 June 2017:</i>	<i>截至二零一七年六月三十日 止六個月：</i>			
Revenue from external customers	來自外來客戶之收益	7,020,868	—	7,020,868
Segment loss	分部虧損	(2,063,996)	(327,480)	(2,391,476)
<i>Six months ended 30 June 2016:</i>	<i>截至二零一六年六月三十日 止六個月：</i>			
Revenue from external customers	來自外來客戶之收益	8,524,044	—	8,524,044
Segment loss	分部虧損	(58,510,429)	—	(58,510,429)

5. SEGMENT INFORMATION (Continued)

A reconciliation of segment results to loss before income tax is provided as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)
Total loss of reportable segments	可呈報分部虧損總額	(2,391,476)	(58,510,429)
Unallocated corporate expenses, net	未分配企業開支淨額	(17,669,678)	(16,238,519)
Finance income	融資收入	1,710	2,351
Finance costs	融資成本	(4,018,941)	(596,170)
Loss before tax for the period	期內除稅前虧損	(24,078,385)	(75,342,767)

6. FINANCE COSTS

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)
Finance cost on asset retirement obligations	報廢資產復原債務的 融資成本	—	92,018
Interest on borrowing	借貸利息	40,000	—
Imputed interest costs on convertible notes	可換股債券應歸利息成本	4,633,014	504,152
Amount capitalised	資本化金額	4,673,014 (654,073)	596,170 —
		4,018,941	596,170

5. 分部資料 (續)

分部業績與除所得稅前虧損之對賬載列如下：

6. 融資成本

7. INCOME TAX EXPENSES

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)
Current tax — Hong Kong	即期稅項—香港	—	—
Under-provision in prior years	過往年度撥備不足	415,473	—
		415,473	—

Hong Kong profits tax is provided at a rate of 16.5% (Six months ended 30 June 2016: 16.5%) on the estimated assessable profits for the period. No provision for Hong Kong profits tax since the Group has no assessable profit in Hong Kong during the period (Six months ended 30 June 2016: HK\$Nil).

The PRC corporate income tax is provided at the rate of 25% (Six months ended 30 June 2016: 25%) for the period. No provision for PRC enterprise income tax since the Group has no assessable profit in the PRC during the period (Six months ended 30 June 2016: HK\$Nil).

香港利得稅按期內估計應課稅溢利以稅率 16.5% (截至二零一六年六月三十日止六個月：16.5%) 計提撥備。由於本集團於期內並無在香港產生應課稅溢利，故並無就香港利得稅計提撥備 (截至二零一六年六月三十日止六個月：零港元)。

期內，中國企業所得稅按稅率 25% (截至二零一六年六月三十日止六個月：25%) 計提撥備。由於本集團於期內並無在中國產生應課稅溢利，故並無就中國企業所得稅計提撥備 (截至二零一六年六月三十日止六個月：零港元)。

8. LOSS FOR THE PERIOD

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

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 港元 (Unaudited) (未經審核)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	(611)
Written off of prepaid operating lease (Note 1)	撇銷預付經營租賃 (附註 1)	—	9,256,946
Provision of other receivables	其他應收款項撥備	—	18,700,000
Written off of rental deposit*	撇銷租賃按金*	—	520,852
Written off of property, plant and equipment (Note 2)	撇銷物業、廠房及設備 (附註 2)	—	29,846,967
Directors' remuneration	董事薪酬	4,612,223	1,058,000

7. 所得稅開支

8. 期內虧損

本集團的期內虧損乃經 (計入) / 扣除下列項目呈列：

8. LOSS FOR THE PERIOD (Continued)

Note:

1. During the six months ended 30 June 2016, the written off of prepaid operating lease of HK\$9,256,946 mainly represented written off as a result of the termination of a hotel.
2. During the six months ended 30 June 2016, construction in progress of HK\$29,846,967 were written off as a result of the termination of development of two hotels.
- * This item is included in "Other operating expenses" of the condensed consolidated statement of profit or loss.

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017 (Six months ended 30 June 2016: HK\$Nil).

10. LOSS PER SHARE**(a) Basic loss per share**

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$24,493,858 (Six months ended 30 June 2016: HK\$75,342,767) and the weighted average number of ordinary shares of 393,525,000 (Six months ended 30 June 2016: 393,525,000) in issue during the period.

(b) Diluted loss per share

There was no dilutive potential ordinary shares outstanding for the period (Six months ended 30 June 2016: nil). Accordingly, the diluted loss per share is same as basic loss per share for both periods.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired property, plant and equipment of approximately HK\$7,040,085 (Six months ended 30 June 2016: HK\$1,156,044).

8. 期內虧損 (續)

附註：

1. 截至二零一六年六月三十日止六個月，撇銷預付經營租賃9,256,946港元主要指因終止一間酒店而撇銷的款項。
2. 截至二零一六年六月三十日止六個月，因終止發展兩間酒店而撇銷在建工程29,846,967港元。
- * 該項目計入簡明綜合損益表之「其他經營開支」。

9. 股息

於截至二零一七年六月三十日止六個月，董事概無建議派付任何中期股息(截至二零一六年六月三十日止六個月：零港元)。

10. 每股虧損**(a) 每股基本虧損**

本公司擁有人應佔每股基本虧損的計算乃基於本公司擁有人應佔期內虧損約24,493,858港元(截至二零一六年六月三十日止六個月：75,342,767港元)及期內已發行普通股加權平均數393,525,000股(截至二零一六年六月三十日止六個月：393,525,000股)。

(b) 每股攤薄虧損

期內，本公司並無已發行潛在攤薄普通股(截至二零一六年六月三十日止六個月：無)。因此，該兩個期間之每股攤薄虧損與每股基本虧損相同。

11. 物業、廠房及設備

截至二零一七年六月三十日止六個月，本集團購置物業、廠房及設備約7,040,085港元(截至二零一六年六月三十日止六個月：1,156,044港元)。

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The amounts of prepayments, deposits and other receivables are analysed as follows:

		Notes 附註	30 June 2017 二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Non-current portion	非流動部分			
Deposit for acquisition of a hotel	收購一間酒店之按金	(a)	23,988,000	23,988,000
Rental deposits	租賃按金		3,350,606	3,241,518
Prepayment and other receivables	預付款項及其他應收款項	(b)	800,000	7,180,044
			28,138,606	34,409,562
Current portion	流動部分			
Prepayments and deposit paid	預付款項及已付按金		104,799	762,008
Other receivables	其他應收款項	(c)	2,628,663	21,000,000
			2,733,462	21,762,008
			30,872,068	56,171,570

Notes

- (a) This represented deposit paid for proposed acquisition of 51% interest in a hotel.
- (b) The amount of HK\$800,000 (2016: HK\$7,180,044) represented the payments for enhancements for the PRC budget hotels.
- (c) As at 31 December 2016, the amount of HK\$21,000,000 represented refundable deposits paid for leasehold improvement which has been refunded during the six months ended 30 June 2017.

附註

- (a) 其為建議收購一間酒店51%權益之已付按金。
- (b) 800,000港元(二零一六年: 7,180,044港元)為優化中國經濟型酒店之款項。
- (c) 於二零一六年十二月三十一日, 21,000,000港元為就租賃物業裝修已付的可退還按金, 且已於截至二零一七年六月三十日止六個月期間退還。

12. 預付款項、按金及其他應收款項

預付款項、按金及其他應收款項分析如下：

13. TRADE RECEIVABLES

The majority of the Group's revenue from hotel operations are made via credit cards or cash. Hotel rooms are rented to corporate customers with an appropriate credit history on credit terms of 30 days.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

		30 June 2017 二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Neither past due nor impaired	無逾期亦無減值	47,766	46,750
0-30 days past due	逾期0至30天	1,992	1,017
31-60 days past due	逾期31至60天	1,374	848
61-90 days past due	逾期61至90天	1,234	—
91-120 days past due	逾期91至120天	—	431
121-365 days past due	逾期121至365天	22,031	15,509
		26,631	17,805
		74,397	64,555

14. CONVERTIBLE BONDS

The convertible bonds (the "Bonds") were issued on 14 June 2016. The Bonds were extended for one year on 14 June 2017 (the original due date of the Bonds) to 14 June 2018. The Bonds are convertible into ordinary shares of the Company at any time between the date of renewal of the Bonds and the business day immediately prior to the maturity date (i.e. one year from the date of renewal of the Bonds or if such date is not a business day the next business day). The face value of the Bonds is HK\$51,000,000. The Bonds are convertible to 54,838,708 shares per HK\$0.93 bond. The extension of the Bonds does not have dilute effect on loss per share.

If the Bonds have not been converted, the Company will pay to the holders of the Bonds an amount equal to the aggregate of (i) 100% of the principal amount of the Bonds outstanding; (ii) interest accrued and outstanding pursuant to terms and conditions of the Bonds; and (iii) a premium of 7% per annum of the principal amount of the Bonds outstanding. Interest of 8 per cent will be paid annually up until that the business day immediately prior to the maturity date (i.e. one year from the renewal date of the Bonds or if such date is not a business day, the next business day), which the first year interest has been paid.

If the maturity date is extended or postponed pursuant to the terms and conditions of the Bonds, upon maturity of the Bonds on such extended maturity date, the Company will pay to the holders of the Bonds an amount equal to the aggregate of (i) 100% of the principal amount of the Bonds outstanding; (ii) interest accrued and outstanding pursuant to the terms and conditions of the Bonds; and (iii) a premium of 15% of the principal amount of the Bonds outstanding.

13. 應收賬款

本集團的酒店營運收益主要以信用卡或現金結算。本集團為擁有合適信貸記錄的企業客戶提供三十天的酒店客房租賃信貸期。

應收賬款基於發票日期(並扣除撥備)的賬齡分析如下：

14. 可換股債券

本公司於二零一六年六月十四日發行可換股債券(「債券」)。債券自二零一七年六月十四日(債券原到期日)延長一年至二零一八年六月十四日。債券可於債券重續日期至緊接到期日前之營業日(即債券重續日期起計一年或倘該日期並非營業日，則下一個營業日)隨時轉換為本公司之普通股。債券面值為51,000,000港元。債券可按每份債券0.93港元轉換為54,838,708股股份。延長債券對每股虧損無攤薄影響。

倘債券未獲轉換，本公司將向債券持有人支付相當於以下各項總和之金額：(i) 債券未償還本金額之100%；(ii) 根據債券的條款及條件之應計及未支付利息；及(iii) 債券未償還本金額之每年7%溢價。8%之利息將按年支付，直至緊接到期日前之營業日(即債券重續日期起計一年或倘該日期並非營業日，則下一個營業日)為止，其中已支付第一年的利息。

倘到期日根據債券的條款及條件延遲或推遲，債券於有關延遲到期日到期時，本公司將向債券持有人支付相當於以下各項總和之金額：(i) 債券未償還本金額之100%；(ii) 根據債券的條款及條件之應計及未支付利息；及(iii) 債券未償還本金額之15%溢價。

14. CONVERTIBLE BONDS (Continued)

The movement of the liability component of the Bonds for the period ended 30 June 2017 is set out below:

		HK\$ 港元
Liability component at 31 December 2016 and 1 January 2017 (audited)	於二零一六年十二月三十一日 及二零一七年一月一日之負債部分(經審核)	53,152,913
Interest charged (Note 6)	利息支出(附註6)	4,633,014
Interest paid	已付利息	(4,080,000)
Liability component at 30 June 2017 (unaudited)	於二零一七年六月三十日之負債部分(未經審核)	53,705,927

The interest charged for the year is calculated by applying an effective interest rate of 14.88 per cent (31 December 2016: 22.88 per cent) to the liability component.

Mr. Ding Yifan, the controlling shareholder of the Company, guaranteed the due payment of all sums to be payable by the Company under the terms and conditions of the Bonds and pursuant to a personal guarantee given by Mr. Ding Yifan.

14. 可換股債券(續)

債券負債部分於截至二零一七年六月三十日止期間的變動載列如下：

本年度負債部分之利息支出乃按實際利率14.88%(二零一六年十二月三十一日：22.88%)計算。

本公司控股股東丁一凡先生擔保，本公司根據債券之條款及條件及根據丁一凡先生作出的個人擔保妥為支付其應付的所有款項。

15. TRADE AND OTHER PAYABLES

		30 June 2017 二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Trade payables	應付賬款	146,656	218,855
Accruals and other payables	應計項目及其他應付款項	6,083,940	9,577,749
		6,230,596	9,796,604

The aging analysis of trade payables, based on the date of receipt of goods or services, is as follows:

應付賬款基於接收貨品或服務日期的賬齡分析如下：

		30 June 2017 二零一七年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
0-30 days	0至30天	114,105	155,256
31-60 days	31至60天	30,250	34,054
61-90 days	61至90天	—	10,669
Over 90 days	超過90天	2,301	18,876
		146,656	218,855

16. BORROWING

As at 30 June 2017, the Group has a borrowing of HK\$6,040,000 from China Medical Overseas Limited which is controlled by Mr. Ding Yifan, the substantial shareholder of the Company. The borrowing is unsecured, interest bearing of 8% per annum and repayable on 1 June 2020.

17. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2017 (At 31 December 2016: HK\$Nil).

18. CAPITAL COMMITMENTS

The Group did not have any capital commitments at 30 June 2017 (At 31 December 2016: HK\$Nil).

19. EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Company's controlling owner, China Medical Overseas Limited, has advanced an unsecured shareholder's loan ("Shareholder's loan") in the amount of HK\$5,500,000 to the Company which is on normal commercial terms or better to the Group. Such shareholder's loan is for a term of 3 years and carries interest at the rate of 8% per annum. Moreover, on top of the above Shareholder's loan, China Medical Overseas Limited has also made available a credit facility up to the amount of HK\$20,000,000 to the Company under substantially the same terms with the Shareholder's loan which the Company may request for drawdown at any time prior to 31 March 2018.

20. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The condensed financial statements were approved and authorised for issue by the Board of Directors on 29 August 2017.

16. 借貸

於二零一七年六月三十日，本集團擁有來自中華醫學海外有限公司(由本公司主要股東丁一凡先生控制)之借貸6,040,000港元。借貸為無抵押、按年利率8%計息及應於二零二零年六月一日償還。

17. 或然負債

於二零一七年六月三十日，本集團並無任何重大或然負債(於二零一六年十二月三十一日：零港元)。

18. 資本承擔

於二零一七年六月三十日，本集團並無任何資本承擔(於二零一六年十二月三十一日：零港元)。

19. 報告期後事項

於報告期末後，本公司的控股股東中華醫學海外有限公司按一般商業條款或更有利於本集團的條款，向本公司墊付一筆金額為5,500,000港元的無抵押股東貸款(「股東貸款」)。該股東貸款為期三年並按年利率8%計息。此外，除上述股東貸款外，中華醫學海外有限公司亦已根據與股東貸款大致相同的條款向本公司提供金額最多為20,000,000港元的信貸融資額度，可由本公司於二零一八年三月三十一日前隨時要求提取。

20. 批准中期財務報表

簡明財務報表由董事會於二零一七年八月二十九日批准及授權發佈。

Management Discussion and Analysis

BUSINESS AND OPERATIONAL REVIEW

The Group is principally engaged in budget hotel operations. For the six months ended 30 June 2017, the Group has 3 leased-and-operated hotels under operation. Apart from hotel operations business, the Group is also developing comprehensive licensed financial services and asset management business in line with our existing development strategy.

HOTEL OPERATIONS BUSINESS

Revenue from hotel operations mainly included the sales of hotel rooms and hotel membership cards. Revenue was HK\$7,020,868 during the six months ended 30 June 2017, representing a decrease of 17.6% as compared with revenue of HK\$8,524,044 for the same period of the last financial year. The decrease in revenue was mainly due to the hotel renovation carried out by the Group during the period, resulting in a decrease in the number of available rooms and occupancy rate. The renovation is expected to be gradually completed in the third quarter of this year, by then revenue from hotel operations will increase with the gradual recovery in the number of available rooms, improvement in room services and adjustment in room rates.

On the other hand, in last financial year, as mentioned in the Company's announcements dated 21 April 2016 and 20 October 2016 respectively, the Group has entered into a memorandum of understanding in relation to the proposed acquisition of 51% interests in a five star hotel which is located in Sichuan Province, the PRC. This potential acquisition will be in line with the Group's intention to achieve breakthroughs in the long term depression of budget hotel business and eventually bring returns to shareholders, in the event it materializes. As at the end of this period, the Group is still in negotiation on the proposed acquisition and no legally binding agreement has been entered into. Should there be further progress, the Group will release announcement thereon as and when appropriate.

The Group will continue to look for investment and enhancement opportunities and explore new high-class hotel business in the PRC, Hong Kong or overseas, so as to optimize the overall hotel assets structure and profile and improve efficiency.

管理層討論及分析

業務及營運回顧

本集團主要從事經濟型酒店營運。截至二零一七年六月三十日止六個月，本集團擁有三家營運中之租賃經營酒店。另外，按集團既有的發展方針，除了酒店營運業務，本集團也正在發展全牌照金融和資產管理業務。

酒店營運業務

酒店營運之收益主要包括銷售酒店客房及酒店會員卡之收益。截至二零一七年六月三十日止六個月，收益為7,020,868港元，較上個財政年度同期8,524,044港元下降17.6%。收益下降的主要原因是本集團於期間開始酒店翻新計劃，令可出租房間數量和入住率降低。預計翻新將在今年第三季開始逐步完成，屆時隨著酒店可出租房間數量的逐步回升、客房服務的改善和房價的調整，酒店營運收益應可以有所提升。

另外，於上一財政年度，誠如本公司日期分別為二零一六年四月二十一日及二零一六年十月二十日之公告所述，本集團已訂立一份諒解備忘錄，內容有關建議收購一間位於中國四川省之五星級酒店的51%權益。此項潛在收購（倘落實）將符合本集團實現突破經濟型酒店業務長期低迷境況並最終回饋股東之目標。於本期間末，本集團仍在商議建議收購事項，尚無訂立任何具法律約束力之協議。若再有進展，本集團會就此作出適時公佈。

本集團將繼續尋求投資及優化機會，並於中國、香港或海外地區開拓新高端酒店業務，以優化整體酒店資產結構及組合並提升其效益。

HOTELS UNDER OPERATION

Nanshan Hotel

Nanshan Hotel is located at Nanshan Road with 192 rooms and is a flagship hotel of the Group. It contributed most of the revenue of the Group. For the six months ended 30 June 2017, the turnover of Nanshan Hotel has decreased by approximately 14%. To some extent, the decrease in turnover was attributable to the renovation works carried out in Nanshan Hotel during the period, resulting in a decrease in the number of available rooms. As of 30 June 2017, approximately 90% of the renovation has been completed. The Group believes Nanshan Hotel's interiors will be significantly improved after the completion of its renovation and its service quality will be also upgraded, thus this would attract more customers and bring greater revenue to the Group.

Luohu Hotel

Luohu Hotel is located at the thriving financial center of Luohu District in Shenzhen, which enjoys convenient transport access (only about 5 minutes' drive to Luohu Checkpoint and Convention and Exhibition Center). Turnover decreased by approximately 11% during the period in Luohu hotel, which was due to the major part of its revenue being based on domestic travellers making short trips to Hong Kong while the implementation of one-visit-one-week policy by the Hong Kong Government has continuously cast adverse impacts on Luohu Hotel. However, as the prime location of Luohu Hotel will provide us a good customer base, the Group will actively review the business strategy and policy of Luohu Hotel so as to achieve breakeven as soon as possible.

Baoan Hotel

Baoan Hotel is located in Baoan District of Shenzhen, which, on a geographical and environmental basis, is situated at a less prime location. For the six months ended 30 June 2017, its turnover decreased by approximately 6.0% as compared with that of the last corresponding period. In addition, as some new hotels nearby have been completed and put into operation successively, the Group expects Baoan Hotel will be faced with significant challenges in the foreseeable future. In view of this, the Group also plans to arrange for the renovation of Baoan Hotel after the completion of the renovation work of Nanshan Hotel, with a view to improving competitiveness and bringing more favorable returns for long-term investment.

FINANCIAL SERVICES AND ASSET MANAGEMENT BUSINESS

The Group is actively developing the financial services and asset management business to seize the respective promising business opportunities, and to achieve the potential synergy of the hotel operations and asset management business as soon as possible.

營運中的酒店

南山店

南山店位於南山大道，擁有192間客房，為本集團的旗艦店，為本集團貢獻了大部分的收入。截至二零一七年六月三十日止六個月，南山店的營業額減少約14%。由於南山店於期間進行全新的翻新裝修工程，導致可出租房間數量降低，使營業額在一定程度上受到影響。截至二零一七年六月三十日，工程已完成約90%。本集團相信裝修完成後，南山店的內觀會大大改善，服務水平亦因而提高，從而吸引更多客源，為本集團帶來更大收益。

羅湖店

羅湖店位於深圳市羅湖區繁華金融中心區，交通非常方便，距離羅湖口岸及會展中心亦只需約五分鐘車程。羅湖店於此期內的營業額下降約11%，這是由於該酒店之大部分收入乃依賴往來香港及內地的短途游客，但其繼續承受香港政府實行一周一行政策的負面影響。惟因羅湖店位處黃金地段，可提供良好的客戶基礎，本集團將積極重新檢閱羅湖店的經營戰略和方針，以盡快達至收支平衡。

寶安店

位於深圳市寶安區的寶安店，就地理和環境上屬次級地段。截至二零一七年六月三十日止六個月，其營業額較去年同期減少約6.0%。此外，由於區內附近新酒店相繼落成及投入服務，本集團預期該酒店經營於可見將來會面臨重大挑戰。有見於此，本集團計劃在南山店裝修工程完工後也安排寶安店作全面翻新，以提升競爭力，為長期投資帶來更可觀的回報。

金融和資產管理業務

本集團正積極發展金融和資產管理業務以把握這個大有可為的商機，把酒店經營及資產管理方面所潛在的協同效益盡快體現。

After obtaining a Money Lenders Licence in November 2016, we have submitted an application to the Securities and Futures Commission for the licences of Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) ("SFO"), which is still pending approval.

Moreover, the Group is now proactively seeking to acquire suitable financial institutions, asset or fund management corporations, with a view to expanding the financial services segment of the Group. As mentioned in the announcement dated 24 May 2017, the Group had entered into a memorandum of understanding with a company in relation to the proposed acquisition of two licensed corporations, which are licensed to conduct Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO respectively. This potential acquisition will be in line with the Group's intention to achieve breakthroughs in the long term predicament faced by the budget hotel business and eventually bring reasonable returns to the shareholders, in the event it materializes. On 8 August 2017, Perfect Peace entered into a sale and purchase agreement with, among others, ZhongHua Financial Holdings Limited in relation to the purchase of the entire issued share capital of ZhongHua Finance Asset Management Co., Limited, a company incorporated in Hong Kong licensed to conduct Type 9 regulated activities under the SFO, subject to independent shareholders' approval. Please refer to the announcement of the Company dated 8 August 2017 for further details.

FINANCIAL REVIEW

For the six months ended 30 June 2017, the Group recorded a turnover of HK\$7,020,868, compared with HK\$8,524,044 for the corresponding period in the last financial year, representing a decrease of approximately 17.6%. The Group recorded a total comprehensive loss of HK\$24,180,209 for the six months ended 30 June 2017 compared with HK\$75,212,251 for the same period of the last financial year, representing a decrease of approximately 67.9%.

繼二零一六年十一月取得放債人牌照後，本集團已經向證券及期貨事務監察委員會遞交關於香港法例第571章證券及期貨條例（「證券及期貨條例」）下第1類（證券交易）、第2類（期貨合約交易）及第4類（就證券提供意見）受規管活動牌照的申請，目前還在審批階段。

再者，本集團現正積極物色及收購合適金融機構、資產或基金管理公司等金融業務，以充實本集團之金融服務板塊。誠如二零一七年五月二十四日之公告所述，本集團已與一間公司就建議收購兩間持牌法團訂立諒解備忘錄，該兩間持牌法團分別持有牌照可從事證券及期貨條例下的第6類（就機構融資提供意見）及第9類（提供資產管理）受規管活動。此項潛在收購（倘落實）將符合本集團實現突破經濟型酒店業務長期低迷境況並最終為股東帶來合理回報之目標。於二零一七年八月八日，佳怡與（其中包括）中華金融控股有限公司訂立買賣協議，內容有關購買中華金融資產管理有限公司（一間於香港註冊成立並持有牌照可從事證券及期貨條例下第9類受規管活動之公司）之全部已發行股本，惟須待獨立股東批准後，方可作實。進一步詳情請參閱本公司日期為二零一七年八月八日之公告。

財務回顧

截至二零一七年六月三十日止六個月，本集團錄得營業額7,020,868港元，較上個財政年度同期之8,524,044港元減少約17.6%。本集團於截至二零一七年六月三十日止六個月錄得全面虧損總額24,180,209港元，而上個財政年度同期則為75,212,251港元，減少約67.9%。

The following table shows the key information of the total of the Group's leased-and-operated hotels for the six months ended 30 June 2016 and 2017.

下表載列本集團全部租賃經營酒店截至二零一六年及二零一七年六月三十日止六個月之主要資料。

For six months ended 30 June

截至六月三十日止六個月

		2017	2016
		二零一七年	二零一六年
Total available room nights	總可出租客房晚數	49,228	56,371
Occupancy rate	入住率	67.1%	73.5%
ARR* (RMB)	平均房租*(人民幣元)	193.6	175.1
RevPAR# (RMB)	平均每間客房收入#(人民幣元)	129.8	128.7

* ARR: the average room revenue of all hotels divided by the total occupied room nights

* 平均房租：所有酒店之平均客房收入除以總入住客房晚數

RevPAR: the average room revenue of all hotels divided by the total available room nights

平均每間客房收入：所有酒店之平均客房收入除以總可出租客房晚數

Operating Costs

The total operating costs increased by HK\$655,851, or approximately 2.47%, from HK\$26,500,258 for the last corresponding period to HK\$27,156,109 for the six months ended 30 June 2017. The Group has adopted cost saving measures to lower the operating expenses, this was offset by the increase in employee benefit expenses due to the recruitment of more talents for the business development of the Group. Operating lease expenses increased by HK\$1,608,077, or approximately 17.7%, due to the reversal of the effective rental payable accrued for previous years upon the termination of the leases in Buji Hotel and Huizhou Hotel in last corresponding period.

The following table shows the total operating costs for the six months ended 30 June 2016 and 2017:

經營成本

截至二零一七年六月三十日止六個月，總經營成本由去年同期之26,500,258港元增加655,851港元或約2.47%至27,156,109港元。本集團已採取成本節省措施以減少經營開支，而該減少遭僱員福利開支增加所抵銷。僱員福利開支增加乃由於為本集團業務發展招聘更多人才。經營租賃開支增加1,608,077港元或約17.7%，此乃由於在去年同期因終止租賃布吉店和惠州店，因而回撥以前年度的應計實際租金款項所引致。

下表載列截至二零一六年及二零一七年六月三十日止六個月之總經營成本：

For six months ended 30 June

截至六月三十日止六個月

		2017	2016
		二零一七年	二零一六年
		HK\$	HK\$
		港元	港元
Operating lease expenses	經營租賃開支	7,401,888	5,793,811
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,733,085	1,161,073
Employee benefit expenses	僱員福利開支	11,561,573	9,622,464
Utilities	公用設施	463,627	634,424
Other operating expenses	其他經營開支	5,035,936	9,288,486
Amortisation of other assets	其他資產攤銷	960,000	—

FINANCE COSTS

The finance costs increased by HK\$3,422,771 to HK\$4,018,941 as compared with the six months ended 30 June 2016. It mainly represented the interest expenses for the convertible bonds and for the shareholders' loan.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2017, the Group mainly financed its operations and expansion with its own working capital generated internally and fund raising activities.

As at 30 June 2017, the Group had bank balances and cash of HK\$9,674,712 (31 December 2016: HK\$10,100,000). Gearing ratio is calculated as the amount of interest-bearing borrowings divided by total equity. The gearing ratio as of 30 June 2017 is N/A (31 December 2016: 414.4%).

The Group was in net current liabilities and net liabilities position of HK\$49,582,194 and HK\$11,353,287 respectively as at 30 June 2017. The substantial shareholder, Mr. Ding Yifan has confirmed his intention to provide continuing financial support to the Company to enable it to meet its liabilities as and when they fall due and to enable to the Company to continue its operations for the foreseeable future. Consequently, the financial statements are prepared on a going concern basis.

After the end of the reporting period, the Company's controlling owner, China Medical Overseas Limited, has advanced an unsecured shareholder's loan ("Shareholder's loan") in the amount of HK\$5,500,000 to the Company which is on normal commercial terms or better to the Group. Such shareholder's loan is for a term of 3 years and carries interest at the rate of 8% per annum. Moreover, on top of the above Shareholder's loan, China Medical Overseas Limited has also made available a credit facility up to the amount of HK\$20,000,000 to the Company under substantially the same terms with the Shareholder's loan which the Company may request for drawdown at any time prior to 31 March 2018.

融資成本

融資成本較截至二零一六年六月三十日止六個月增加3,422,771港元至4,018,941港元，其主要為可換股債券及股東貸款之利息開支。

流動資金及財務資源

截至二零一七年六月三十日止六個月，本集團主要以其內部產生之本身營運資金及融資活動為其營運及擴展撥付資金。

於二零一七年六月三十日，本集團之銀行結餘及現金為9,674,712港元（二零一六年十二月三十一日：10,100,000港元）。資本負債比率乃按附息借貸除以資本總額計算。截至二零一七年六月三十日之資本負債比率為不適用（二零一六年十二月三十一日：414.4%）。

本集團於二零一七年六月三十日處於淨流動負債及淨負債狀況（分別為49,582,194港元及11,353,287港元）。主要股東，丁一凡先生已確認其有意繼續為本公司提供財務支持以使本公司能償還到期負債並於可見將來持續經營業務。因此，財務報表乃按持續經營基準編製。

於報告期末後，本公司的控股股東中華醫學海外有限公司按一般商業條款或更有利於本集團的條款，向本公司墊付一筆金額為5,500,000港元的無抵押股東貸款（「股東貸款」）。該股東貸款為期三年並按年利率8%計息。此外，除上述股東貸款外，中華醫學海外有限公司亦已根據與股東貸款大致相同的條款向本公司提供金額最多為20,000,000港元的信貸融資額度，可由本公司於二零一八年三月三十一日前隨時要求提取。

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As mentioned in the Company's announcements dated 21 April 2016 and 20 October 2016 respectively, during the last financial year, the Group has entered into a memorandum of understanding in relation to the proposed acquisition of a 51% interests in a hotel located in Sichuan Province, the PRC. The Group has made the first deposit payment of approximately HK\$23,988,000 in mid-May 2016. At the end of this period, the Group is still in negotiation on the proposed acquisition, and no legally binding agreement has been entered into.

Moreover, as mentioned in the Company's announcement dated 24 May 2017, Perfect Peace Global Limited ("Perfect Peace"), which is a wholly owned subsidiary of the Company, entered into a memorandum of understanding in relation to the proposed acquisition (the "Proposed Acquisition") of two licensed corporations, which are licensed to conduct Type 6 and Type 9 regulated activities under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") respectively.

The consideration of the proposed acquisition shall be satisfied by issuance of new shares in the Company at an issue price to be determined between the parties. On 8 August 2017, Perfect Peace entered into a sale and purchase agreement with, among others, ZhongHua Financial Holdings Limited in relation to the purchase of the entire issued share capital of ZhongHua Finance Asset Management Co., Limited, a company incorporated in Hong Kong licensed to conduct Type 9 regulated activities under the SFO, subject to independent shareholders' approval. Please refer to the announcement of the Company dated 8 August 2017 for further details.

Save as disclosed above, there were no other material investment held, acquisition or disposal made by the Group during the six months ended 30 June 2017.

FOREIGN EXCHANGE RISK

For the six months ended 30 June 2017, the Group's majority of the assets and liabilities, and income and expenses were denominated in Renminbi and Hong Kong Dollar. The Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

所持重大投資、附屬公司及聯營公司之重大收購或出售以及未來重大投資或資本資產計劃

誠如本公司日期分別為二零一六年四月二十一日及二零一六年十月二十日之公告所述，本集團已於上一財政年度訂立一份諒解備忘錄，內容有關建議收購一間位於中國四川省之酒店的51%權益。本集團已於二零一六年五月中旬支付首筆按金約23,988,000港元。於本期間末，本集團仍在就建議收購進行磋商，尚未訂立任何具有法律約束力的協議。

此外，誠如本公司日期為二零一七年五月二十四日之公告所述，本公司之全資附屬公司佳怡環球有限公司（「佳怡」）已就建議收購兩間持牌法團（「建議收購事項」）訂立諒解備忘錄，該兩間持牌法團分別持有牌照可從事香港法例第571章證券及期貨條例（「證券及期貨條例」）下第6類及第9類受規管活動。

建議收購事項之代價將透過發行本公司之新股份支付，發行價將由訂約方釐定。於二零一七年八月八日，佳怡與（其中包括）中華金融控股有限公司訂立買賣協議，內容有關購買中華金融資產管理有限公司（一間於香港註冊成立並持有牌照可從事證券及期貨條例下第9類受規管活動之公司）之全部已發行股本，惟須待獨立股東批准後，方可作實。進一步詳情請參閱本公司日期為二零一七年八月八日之公告。

除上文所披露者外，截至二零一七年六月三十日止六個月，本集團概無持有或作出其他重大投資、收購或出售。

外匯風險

截至二零一七年六月三十日止六個月，本集團大部分資產、負債、收入及開支乃以人民幣及港元計值。本集團概無因外匯合約、利率、貨幣掉期或其他金融衍生工具而面臨任何重大風險。

CAPITAL STRUCTURE

There was no material change in the capital structure of the Group during the six months ended 30 June 2017. The total number of the issued shares of the Company was 393,525,000 as at 30 June 2017 (31 December 2016: 393,525,000).

DIVIDENDS

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

EMPLOYEE AND REMUNERATION POLICIES

The Group had 61 employees (31 December 2016: 78 employees) as at 30 June 2017. Remuneration is determined by reference to market terms and performance, qualifications and experience of individual employee. Discretionary bonuses based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to retirement scheme.

CHARGES ON ASSETS

As at 30 June 2017, the Group did not have any charges on its assets (31 December 2016: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2017, the Group had no material contingent liabilities (31 December 2016: Nil).

資本結構

截至二零一七年六月三十日止六個月，本集團資本結構概無重大變動。於二零一七年六月三十日，本公司已發行股份總數為393,525,000股(二零一六年十二月三十一日：393,525,000股)。

股息

董事不建議就截至二零一七年六月三十日止六個月派付中期股息(截至二零一六年六月三十日止六個月：無)。

足夠公眾持股量

根據本公司可查閱之公開資料及據董事所知，本公司已發行股本總額之至少25%於本報告日期乃由公眾持有。

僱員及薪酬政策

於二零一七年六月三十日，本集團有61名僱員(二零一六年十二月三十一日：78名僱員)。薪酬乃參考市場條款與個別僱員之表現、資歷及經驗釐定。本集團亦向僱員支付基於個人表現之酌情花紅，以嘉許及獎勵彼等作出之貢獻。其他福利包括退休計劃供款。

資產抵押

於二零一七年六月三十日，本集團並無任何資產抵押(二零一六年十二月三十一日：無)。

資本承擔及或然負債

於二零一七年六月三十日，本集團並無任何重大或然負債(二零一六年十二月三十一日：無)。

OPERATING LEASE COMMITMENTS

As at 30 June 2017, the Group had total operating lease commitments of approximately HK\$25,045,244 (31 December 2016: HK\$31,369,000). The operating lease commitments are mainly related to the rental of hotels premises for hotel operations and head office. For the six months ended 30 June 2017, there was no significant movement in operating lease contracts of the Group, and the operating lease commitments decreased as they were fulfilled by operating lease expenses.

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 listed securities of the Company during the six months ended 30 June 2017. For details of the amendment to the terms and conditions of convertible bonds issued by the Company, please refer to the announcements of the Company dated 14 June 2017 and 15 June 2017 respectively.

Neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercise any conversion or subscription rights under any convertible securities, options, warrants or similar rights during the six months ended 30 June 2017.

USE OF PROCEEDS IN FUND RAISING ACTIVITIES

Pursuant to the open offer of the Company which had become unconditional on 9 October 2015 (the "Open Offer"), the Company had allotted and issued 78,704,999 shares at the subscription price of HK\$0.80 each, with the net proceeds raised being approximately HK\$63,000,000. The proceeds raised were expected to be applied as investment funds and general working capital of the Group. As at 30 June 2017, the net proceeds from the Open Offer had been fully utilised. The following table sets forth the application of the net proceeds from the Open Offer:

		HK\$ 港元
General working capital	一般營運資金	36,130,000
Investing activities	投資活動	26,870,000
Total	總計	63,000,000

經營租賃承擔

於二零一七年六月三十日，本集團擁有經營租賃承擔總額約 25,045,244 港元（二零一六年十二月三十一日：31,369,000 港元）。經營租賃承擔主要與用於酒店經營及總辦事處的酒店物業的租賃有關。截至二零一七年六月三十日止六個月，本集團未有任何重大新增或減少經營租賃合約，隨著經營租賃承擔兌現成為經營租賃費用，經營租賃承擔相應減少。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零一七年六月三十日止六個月內概無購買、出售或贖回本公司任何上市證券。有關對本公司所發行可換股債券條款及條件之修訂之詳情，請參閱本公司日期分別為二零一七年六月十四日及二零一七年六月十五日之公告。

於截至二零一七年六月三十日止六個月，本公司或其任何附屬公司概無發行或授出任何可換股證券、期權、認股權證或類似權利或根據任何可換股證券、期權、認股權證或類似權利行使任何換股權或認購權。

融資活動所得款項用途

根據本公司於二零一五年十月九日成為無條件的公開發售（「公開發售」），本公司已按認購價每股 0.80 港元配發及發行 78,704,999 股股份，並籌得所得款項淨額約 63,000,000 港元。所籌得款項預期用作本集團的投資資金及一般營運資金。於二零一七年六月三十日，公開發售之所得款項淨額已獲悉數動用。下表載列公開發售所得款項淨額之用途：

In addition, on 25 May 2016, the Company entered into a placing agreement with Sheng Yuan Securities Limited (the “Placing Agent”), pursuant to which the Company has conditionally agreed to issue and the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six placees to subscribe for the convertible bonds with an aggregate principal amount of up to HK\$51,000,000 at the conversion price of HK\$0.930 per share. The placing was completed on 14 June 2016. On 14 June 2017, the Company and all of the holders of the convertible bonds have entered into a supplemental deed, such that the outstanding principal amount of the convertible bonds shall be automatically redeemed on the 2nd anniversary of the date of the issue of the convertible bonds. The proceeds raised would be applied as general working capital and used for the operation of the money lending business of the Company until the Company has identified suitable acquisition target(s). For details, please refer to the announcements dated 25 May 2016, 14 June 2016, 13 February 2017, 14 June 2017 and 15 June 2017 of the Company respectively.

The following is a summary of the use of net proceeds from the placing of convertible bonds amounting to approximately HK\$50,000,000 (after deduction of 2% for the commission for the placing agent):

此外，於二零一六年五月二十五日，本公司與盛源證券有限公司（「配售代理」）訂立配售協議，據此，本公司已有條件同意發行及配售代理已有條件同意按竭誠盡力基準促使不少於六名承配人認購本金額合共最多為51,000,000港元之可換股債券（換股價為每股股份0.930港元）。配售事項已於二零一六年六月十四日完成。於二零一七年六月十四日，本公司與所有可換股債券持有人訂立一份補充契據，據此，可換股債券之未獲兌換本金額可於可換股債券發行日期後第二週年當日自動贖回。所籌得款項將用作一般營運資金及用於經營本公司之放債業務，直至本公司確定了合適的收購目標為止。詳情請參閱本公司日期分別為二零一六年五月二十五日、二零一六年六月十四日、二零一七年二月十三日、二零一七年六月十四日及二零一七年六月十五日之公告。

以下為配售可換股債券之所得款項淨額約50,000,000港元（經扣除2%的配售代理佣金）之用途概要：

		HK\$ 港元
General working capital	一般營運資金	
• Operation (Hotel operations and financial services business)	• 營運（酒店營運及金融服務業務）	35,920,000
• Hotel investment and enhancement	• 酒店投資及優化	8,000,000
Interest paid on convertible bonds due	到期可換股債券之已付利息	4,080,000
Cash	現金	2,000,000
Total	總計	50,000,000

CORPORATE GOVERNANCE

The Company is committed to ensure a high standard of corporate governance in the interests of the shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices. The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2017, except for certain deviations as specified with considered reasons for such deviations as explained below. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

Under Code Provision of A.2.1 of the CG Code, the roles of the chairman of the Company (the “Chairman”) and chief executive officer of the Company (the “Chief Executive Officer”) should be separated and should not be performed by the same individual. The roles of Chairman and Chief Executive Officer should be separated to ensure a clear division between the Chairman’s responsibility to manage the Board and the Chief Executive Officer’s responsibility to manage the Company’s business. The separation ensures a balance of power and authority so that power is not concentrated.

During the six months ended 30 June 2017, Mr. Wu Li Xin was the Chief Executive Officer. His role is to oversee the overall management of the Company.

During the six months ended 30 June 2017, the Company did not have a Chairman.

The Board considers this arrangement allows contributions from all Directors with different expertise and will not affect the continuity and implementation of the Company’s policy and strategies and the interest of the shareholders of the Company as a whole.

Nevertheless, the Company will look for suitable candidates to fill the role of the Chairman and will make necessary arrangement pursuant to the requirement under A.2.1 of CG Code as and when necessary.

The Board will continue to review the corporate governance status of the Company from time to time and make necessary changes to comply with the CG Code as and when considered appropriate.

企業管治

本公司致力推行高水準之企業管治，以保障股東權益，並盡力維持高水準的商業操守及企業管治常規。本公司於截至二零一七年六月三十日止六個月已遵守上市規則附錄十四所載之企業管治守則（「企業管治守則」）之守則條文，惟下文解釋之若干已闡明原因之有關偏離除外。董事會將繼續不時檢討及更新該等常規，以確保符合法律及商業準則。

根據企業管治守則之守則條文第A.2.1條，本公司主席（「主席」）與本公司行政總裁（「行政總裁」）之角色應有區分，不應由一人同時兼任。將主席與行政總裁之角色劃分，可確保主席管理董事會之責任與行政總裁管理本公司業務之責任得到清晰分工。該劃分將確保權力及授權分佈均衡，令權力不會集中於任何個人。

截至二零一七年六月三十日止六個月，吳立新先生擔任行政總裁，他的職責為監察本公司整體管理。

截至二零一七年六月三十日止六個月，本公司並無主席。

董事會認為該項安排可使各董事發揮所長，為公司作出貢獻，又不損本公司政策及策略的連貫性及執行，以及本公司股東的整體利益。

然而，當有需要時，本公司將尋求合適人選以填補主席職位，並將於必要時根據企業管治守則第A.2.1條的規定作出必要安排。

董事會將繼續不時檢討本公司的企業管治情況，並將於適當時間作出必要變動以符合企業管治守則。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct for securities transactions by the directors (the “Directors”) and relevant employees who, because of office or employment, are likely to be in possession of unpublished inside information in relation to the Company’s securities. The Company had made specific enquiry to all the Directors and such relevant employees and they confirmed compliance with the Model Code throughout the period from 1 January 2017 to 30 June 2017. No incident of non-compliance was noted by the Company during this period.

AUDIT COMMITTEE REVIEW

The Group has an Audit Committee which was established for the purposes of, among others, reviewing and providing supervision over the Group’s financial reporting process, internal controls and risk management system. The Audit Committee comprises three Independent Non-executive Directors. Mr. Wong Yiu Kit Ernest is the Chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles and policies adopted by the Group and has discussed and reviewed the internal controls and financial reporting matters of the Group, including the review of the unaudited consolidated interim results of the Group and interim report of the Company for the six months ended 30 June 2017, with the management of the Company.

REVIEW OF INTERIM RESULTS

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2017 has been reviewed by ZHONGHUI ANDA CPA Limited, the auditor of the Company.

DIRECTORS’ INTEREST IN A COMPETING BUSINESS

For the period ended 30 June 2017 and up to the date of this report, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

證券交易的標準守則

本集團已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則(「標準守則」)作為董事(「董事」)及有關僱員(因職務或職位而可能取得有關本公司證券之尚未發佈內幕消息者)進行證券交易的操守守則。本公司已向全體董事及該等有關僱員作出具體查詢，而彼等已確認於二零一七年一月一日至二零一七年六月三十日期間內一直遵守標準守則。本公司於該期間內並無發現任何不合規的事宜。

審核委員會審閱

本集團已成立審核委員會(其中包括)檢討及監督本集團的財務匯報程序、內部監控及風險管理系統。審核委員會由三名獨立非執行董事組成。黃耀傑先生為審核委員會主席。審核委員會已對本集團採納的會計準則及政策進行審閱，並與本公司管理層討論及審閱本集團的內部監控及財務匯報事宜，包括審閱截至二零一七年六月三十日止六個月的本集團之未經審核綜合中期業績及本公司之中期報告。

審閱中期業績

本集團截至二零一七年六月三十日止六個月之未經審核中期簡明綜合財務資料已由本公司核數師中匯安達會計師事務所有限公司審閱。

董事於競爭業務之權益

截至二零一七年六月三十日止期間及直至本報告日期，董事概不知悉董事、本公司管理層及彼等各自的聯繫人(定義見上市規則)之任何業務或權益與本集團的業務構成或可能構成競爭，亦不知悉任何該等人士已經或可能與本集團出現任何其他利益衝突。

SHARE OPTION SCHEME

The Company had a share option scheme (“Scheme”) which was adopted pursuant to a resolution of the sole shareholder passed on 22 June 2011 and adopted by a resolution of the Board on 22 June 2011. The purpose of the Scheme was to attract, retain and motivate talented participants to strive for future developments and expansion of the Group. The Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions.

The Scheme became effective on 22 June 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from the adoption of the Scheme, the principal terms of which were summarized in the paragraph headed “Share Option Scheme” in Appendix V to the Company’s prospectus dated 30 June 2011 (the “Prospectus”).

During the six months period ended 30 June 2017, the Company has not granted any share option under the Scheme. No share option under this Scheme remains unexercised as at 1 January 2017 and 30 June 2017 (31 December 2016: Nil).

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

As at 30 June 2017, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the HTHKH Securities Code were as follows:

購股權計劃

本公司設有一項根據唯一股東於二零一一年六月二十二日通過的決議案而採納及董事會於二零一一年六月二十二日透過決議案而採納之購股權計劃（「該計劃」）。該計劃旨在吸引、挽留及激勵有能力的參與者，為本集團的未來發展及擴展而奮鬥。該計劃可鼓勵參與者為達成本集團的目標而作出其最佳的表現，讓參與者分享本公司因其努力及貢獻而取得的成果。

該計劃由二零一一年六月二十二日起生效，除非經取消或修訂，否則該計劃將由採納日期起計十年內有效。該計劃的主要條款概要載於本公司日期為二零一一年六月三十日的招股章程（「招股章程」）附錄五「購股權計劃」一段內。

於截至二零一七年六月三十日止六個月期間，本公司並無根據該計劃授出任何購股權。於二零一七年一月一日及二零一七年六月三十日，該計劃項下概無尚未行使之購股權（二零一六年十二月三十一日：無）。

董事及主要行政人員於股份、相關股份及債權證之權益及淡倉

於二零一七年六月三十日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之該等條文視為或當作由彼等擁有之權益及淡倉），或已登記於本公司根據證券及期貨條例第352條規定備存之登記冊，或根據和電香港控股證券守則已知會本公司及聯交所之權益及淡倉如下：

Interests and short positions in the shares, underlying shares and debentures of the Company

於本公司股份、相關股份及債權證之權益及淡倉

Long positions in the shares and underlying shares of the Company

於本公司股份及相關股份之好倉

Directors 董事	Capacity 身份	Nature of interests 權益性質	Number of shares held 持有股份數目	Approximate % of shareholding 持股權概約百分比
Dai Lifeng 戴立峰	Beneficial owner 實益擁有人	Personal interest 個人權益	8,060,000	2.05%

Long positions in the shares and underlying shares of associated corporations of the Company

於本公司相聯法團股份及相關股份之好倉

Directors 董事	Capacity 身份	Nature of interests 權益性質	Number of shares held 持有股份數目	Approximate % of shareholding 持股權概約百分比
Huang Yun 黃雲	Beneficial owner 實益擁有人	Personal interest 個人權益	5,000	10.00%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

主要股東及其他人士於本公司股份、相關股份及債權證之權益及淡倉

As at 30 June 2017, so far as is known to the Directors, the following persons, (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

就董事所知，於二零一七年六月三十日，以下人士（並非本公司董事或主要行政人員）於股份或相關股份中擁有及被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉；或彼等直接或間接在附有可在任何情況下於本集團任何成員公司的股東大會上投票的權利的任何類別股本的面值中擁有5%或以上的權益。

Long position in the Shares of the Company

於本公司股份之好倉

Name 姓名／名稱	Capacity 身份	Number of shares 股份數目	Percentage of Shareholding 股權百分比
China Medical Overseas Limited (formerly known as China Angel Investments Holding Limited) (Note 1) 中華醫學海外有限公司(前稱 中國天使投資控股有限公司) (附註1)	Beneficial owner 實益擁有人	201,503,082	51.20%
Ding Yifan (Note 1) 丁一凡(附註1)	Interest in a controlled incorporation 於受控制法團之權益	201,503,082	51.20%
Central China International Investment Company Limited (Note 2) 中州國際投資有限公司(附註2)	Person having a security interest in Shares 於股份擁有保證權益之人士	201,503,082	51.20%
Central China Securities Co. Ltd. (Note 2) 中原證券股份有限公司(附註2)	Interest in a controlled incorporation 於受控制法團之權益	201,503,082	51.20%
Central China International Financial Holdings Company Limited (Note 2) 中州國際金融控股有限公司(附註2)	Interest in a controlled incorporation 於受控制法團之權益	201,503,082	51.20%
Lyu Na (Note 3) 呂娜(附註3)	Interest of spouse 配偶權益	201,503,082	51.20%
China Dragon Asia Champion Fund Series SPC	Investment manager 投資經理	56,378,071	14.33%
Sheng Yuan Asset Management Limited (Note 4) 盛源資產管理有限公司(附註4)	Investment manager 投資經理	53,978,494	13.72%

Note 1: China Medical Overseas Limited is owned by Mr. Ding Yifan and Mr. Huang Yun as to 90% and 10% equity interest respectively. Mr. Ding Yifan was therefore deemed to have an interest in the shares which China Medical Overseas Limited was interested (within the meaning of Part XV of the SFO).

Note 2: As at 30 June 2017, the 201,503,082 shares were subject to a share charge executed by China Medical Overseas Limited (as charger) in favour of Central China International Investment Company Limited (as chargee).

Note 3: Ms. Lyu Na, spouse of Mr. Ding Yifan, was deemed to be interested in the 201,503,082 shares in which Mr. Ding Yifan is interested (within the meaning of Part XV of the SFO).

Note 4: As at 14 June 2016, Sheng Yuan Asset Management Limited being an investment manager subscribed for certain interests in the bonds which are convertible to 53,978,494 shares in the Company.

Save as disclosed above, as at 30 June 2017, the Directors were not aware of any person (other than the Directors as disclosed in the paragraph headed "Directors' and Chief Executive's Interest and Short Positions in Shares, Underlying Shares and Debentures of the Company" above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5 % or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of any member of the Group.

By Order of the Board

Legend Strategy International Holdings Group Company Limited
Huang Yun

Executive Director

Hong Kong, 29 August 2017

附註1：中華醫學海外有限公司由丁一凡先生及黃雲先生分別擁有90%及10%股權。因此，丁一凡先生被視為於中華醫學海外有限公司擁有權益之股份中擁有權益（定義見證券及期貨條例第XV部）。

附註2：於二零一七年六月三十日，該等201,503,082股股份被中華醫學海外有限公司（質押人）質押至中州國際投資有限公司（承押人）。

附註3：丁一凡先生的配偶呂娜女士被視為於丁一凡先生擁有權益的201,503,082股股份中擁有權益（定義見證券及期貨條例第XV部）。

附註4：於二零一六年六月十四日，投資經理盛源資產管理有限公司認購若干可轉換成53,978,494股本公司股份的債券權益。

除上文所披露者外，就董事所知，於二零一七年六月三十日，概無任何人士（上文「董事及主要行政人員於本公司股份、相關股份及債權證之權益及淡倉」一段所披露的董事除外）擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附有可在任何情況下於本集團任何成員公司的股東大會上投票的權利的任何類別股本的面值5%或以上的權益。

承董事會命

枋濬國際集團控股有限公司

黃雲

執行董事

香港，二零一七年八月二十九日