

LegendStrategy 枋濬國際

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)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 1355

Interim Report 2018 中期報告



This is the view taken from the hotel operated by the Group only and none of the properties belong to nor are operated by the Group.

此圖僅從本集團經營的酒店所拍攝的景色，所有物業均不屬於本集團或由本集團營運。

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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Ye Shusheng
Mr. Huang Yun
Mr. Dai Lifeng
Mr. Min Zhi Dong (*Resigned on 1 March 2018*)

Non-executive Directors

Mr. Lu Zefeng
Mr. Yuan Fuer (*Appointed on 15 August 2018*)
Mr. Hu Xinglong (*Appointed on 15 August 2018*)

Independent Non-executive Directors

Mr. Tso Hon Sai Bosco
Mr. Wong Yiu Kit Ernest
Mr. Cheng Chai Fu
Mr. Wu Jilin (*Appointed on 15 August 2018*)
Mr. Du Hongwei (*Appointed on 15 August 2018*)
Ms. Li Zhou (*Appointed on 15 August 2018*)

COMPANY SECRETARY

Mr. Chung Tin Yan

AUTHORISED REPRESENTATIVES

Mr. Ye Shusheng
(*Appointed on 11 April 2018*)
Mr. Chung Tin Yan
Mr. Huang Yun (*Resigned on 11 April 2018*)

AUDIT COMMITTEE

Mr. Wong Yiu Kit Ernest (*Chairman*)
Mr. Tso Hon Sai Bosco
Mr. Cheng Chai Fu

NOMINATION COMMITTEE

Mr. Tso Hon Sai Bosco (*Chairman*)
Mr. Wong Yiu Kit Ernest
Mr. Cheng Chai Fu

董事

執行董事

叶樹生先生
黃雲先生
戴立峰先生
閔志東先生(*於二零一八年三月一日辭任*)

非執行董事

陸澤峰先生
袁富兒先生(*於二零一八年八月十五日獲委任*)
胡性龍先生(*於二零一八年八月十五日獲委任*)

獨立非執行董事

曹漢璽先生
黃耀傑先生
鄭濟富先生
吳吉林先生(*於二零一八年八月十五日獲委任*)
杜宏偉先生(*於二零一八年八月十五日獲委任*)
李舟女士(*於二零一八年八月十五日獲委任*)

公司秘書

鍾天昕先生

授權代表

叶樹生先生
(*於二零一八年四月十一日獲委任*)
鍾天昕先生
黃雲先生(*於二零一八年四月十一日辭任*)

審核委員會

黃耀傑先生(*主席*)
曹漢璽先生
鄭濟富先生

提名委員會

曹漢璽先生(*主席*)
黃耀傑先生
鄭濟富先生

Corporate Information 公司資料

REMUNERATION COMMITTEE

Mr. Cheng Chai Fu (*Chairman*)
Mr. Tso Hon Sai Bosco
Mr. Wong Yiu Kit Ernest

PRINCIPAL BANKERS

The People's Republic of China

Industrial Bank Co. Ltd.
Agricultural Bank of China Limited

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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KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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薪酬委員會

鄭濟富先生(主席)
曹漢璽先生
黃耀傑先生

主要往來銀行

中華人民共和國

興業銀行股份有限公司
中國農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

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Grand Cayman
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Cayman Islands

總部及香港主要營業地點

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中環
德輔道中19號
環球大廈
17樓1705室

Corporate Information

公司資料

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
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Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

COMPANY'S WEBSITE

www.legend-strategy.com

STOCK CODE

1355

開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
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香港股份過戶登記分處

聯合證券登記有限公司
香港
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公司網站

www.legend-strategy.com

股份代號

1355

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in hotel operations and hotel consultations and management services and other related businesses. The Group is also involved in the money lending business. For the six months ended 30 June 2018, the Group has 4 leased-and-operated hotels under operation, including the resort hotel located in Huizhou newly acquired during the period. Other than the money lending business, the financial services and asset management business were discontinued during the period. Revenue from hotel operations during the period mainly derived from rental of hotel rooms.

HOTEL BUSINESS

During the period, under the strategy implemented by the new management, the Group's financial figures have improved as a whole. With respect to the hotel operation, for the six months ended 30 June 2018, the revenue was HK\$12,454,876, representing an increase of approximately 77.4% as compared with revenue of HK\$7,020,868 for the same period of the last financial year. The increase was mainly attributable to the following two aspects:

I. Improvement of existing hotel performance:

We classify hotel customers into three categories: (i) customers introduced by travel agencies, (ii) corporate customers with contractual arrangements and (iii) individual customers. To address all sorts of challenges, our sales team has developed effective market plans, including entering into cooperation agreements with tourism intermediaries and providing more attractive commissions or agency fees to improve incentive for introduction from intermediaries. In addition, we also took the initiative to contact various corporate customers to identify their service needs and proactively provide them with assistance solutions. Indeed, to increase the number of individual customers, we have also developed various loyalty programs such as re-activating the sales of membership cards to consolidate our individual customer base.

Our effective sales and marketing schemes have introduced a new type of customer source for the Group during the period, exerting positive impacts on sales. In addition, the impact of the renovation works completed in the previous year began to fully reflect during the period, reversing the unsatisfactory performance of the flagship Nanshan Hotel in Shenzhen in recent years during the period and providing strong support for the Group's existing hotel business.

業務回顧

本集團主要從事酒店營運及提供酒店顧問與酒店管理服務等相關業務。本集團亦有從事放債人業務。截至二零一八年六月三十日止六個月，本集團擁有四家營運中之租賃經營酒店，包括本期間新收購位於惠州的渡假酒店。除了放債人業務外，其他金融和資產管理業務已於本期間停止。本期間酒店營運之收益主要來自租賃酒店客房。

酒店業務

於本期間，承蒙新管理層所實施的策略下，本集團的整體財務數據皆有所改善。就酒店營運方面，截至二零一八年六月三十日止六個月，收益為12,454,876港元，較上個財政年度同期7,020,868港元上升約77.4%。收益上升的主要原因可以大體分為以下兩個方面：

《一》現有酒店業績改善：

我們把酒店客人分為三種類型，(i)通過旅行社介紹的客戶，(ii)具有合同安排的公司客戶和(iii)個人客戶。為面對各方挑戰，我們的銷售團隊也作出了有效的市場方案包括與新的旅遊中介簽訂合作協議，提供更吸引的佣金或中介費以改善中介介紹的誘因。另外我們也主動與不同的企業客戶聯繫，了解服務需要並主動提供協助方案。當然，為了提升個人客戶的數量，我們也制定了不同提高客戶忠誠的方案，如重新啓動會員卡計劃等，把我們的個人客戶群鞏固起來。

我們有效的銷售及市場方案已於本期間為集團開拓了新的客源，對銷售額產生了正面的影響。加上本集團於本期間開始全面體現上年度已完成的裝修工程，令近年處於表現未如理想的深圳旗艦南山店在這個期間裡的表現得以逆轉，為集團在現有酒店業務的基石上提供有力的支持。

Management Discussion and Analysis

管理層討論及分析

II. Development of new hotels:

In addition to working on improving existing hotel business, we also studies and analyzes other potential projects and hotel locations and develops various mergers and acquisitions and hotel launch proposals in an attempt to accelerate the Group's development, expand its size, and increase profits so as to reward investors' support. During the period, the Group successfully cooperated with a real estate developer from the PRC to develop new hotel project. As disclosed in the Group's announcement dated 30 April 2018, the Group successfully acquired the resort hotels located in Huizhou to increase the number of available rooms and expand the size of the Group's hotel business. The Group will continue to look for investment and enhancement opportunities, and explore various hotel accommodation and hotel consultations and management services in Mainland China, Hong Kong or overseas to optimize the overall hotel assets structure and improve efficiency.

Indeed, in addition to the above two main reasons, the Group had in place a series of operation improvement schemes during the period such as enhancing hotel facilities and implementing staff performance programs to improve service quality, customers' satisfaction, and employees' morale in order to increase sales and improve performance in all aspects.

In addition to frontline operation of hotels, we also took important actions to control back office and other expenses, including reviewing human resource efficiency and making corresponding adjustments, relocating the Hong Kong office to reduce rental space, and successfully obtaining a waiver regarding the interest expense of shareholder loans from the former controlling shareholder, so as to maximize the Group's benefits.

《二》發展新店：

本集團除了努力在現有酒店業務的基石上打拼外，我們也有著眼研究及分析其他有潛力的項目和開店地點，計劃不同的併購和開店方案，務求令集團可以加快發展，加大規模，加大利潤從而回饋投資者的支持。本集團於本期間成功與內地地產發展商合作，發展新的酒店項目，誠如本集團二零一八年四月三十日之公告，本集團已經成功收購位於惠州的渡假酒店，令可出租房間數量增加，壯大本集團酒店業務的規模。本集團將繼續尋求投資及優化機會，並於中國內地、香港或海外地區開拓不同的酒店住宿及酒店顧問和管理業務，以優化整體集團資產結構及組合並提升其效益。

當然，除了以上兩個主要原因以外，於本期間集團還有一系列的經營改善方案如加強酒店配套和實行員工績效方案等，以提高服務質素、客戶的滿意度和員工的士氣，務求在全方位提高銷售，改善業績。

在酒店的前線營運以外，我們也就控制後勤和其他支出方面作出了重要舉動，包括檢討人力資源效益並作出相對應的調整，搬遷香港辦公室以減少租用空間和成功向前控股股東爭取免收股東貸款的利息費用，為求給予集團爭取最佳利益。

Management Discussion and Analysis

管理層討論及分析

The following is an update on the Group's existing hotels:

Huizhou Hotel

The Group has successfully acquired two hotels in Huizhou on 30 April 2018 in two separate blocks and has managed these two hotels as a single hotel since its official opening on 1 June 2018. Huizhou Hotel is a resort hotel which is situated at Xunliaowan of Huizhou, which is easily accessible as it is located near the Pearl River Delta neighbouring Shenzhen and Hong Kong and has direct flights to other cities in the PRC. Xunliaowan offers our guests the opportunities to enjoy a beach vacation in the region, become a beach bum, spend their days lazing on the sand and take in the sun followed by a dip in the clear waters. With both historic scenic spots and the coast along the Pacific Ocean, Huizhou attracts domestic and foreign tourists to spend their holiday in the region.

The Group looks forward to the increasing number of guests visiting the region which will boost up the performance of Huizhou Hotel in the long run. As reported by Huizhou Airport, the number of guests travelling to Huizhou in 2016 via Huizhou Airport is approximately 550,000 which is 55% more than that in 2015 where the same statistic collected in 2017 shows another strong growth of 75% over 2016 (approximately 960,000 guests). In the coming years, with the focusing effort supported by the Huizhou Government in the tourists' areas, especially the coastal areas, it is expected that the growing trend in the number of visiting guests will sustain and develop a stronger base for Huizhou Hotels to enhance popularity and boost performance.

Nanshan Hotel

Nanshan Hotel is situated near the Hong Kong-Shenzhen Western Corridor and the Shekou Port. It has five floors and a total GFA of approximately 7,000 sq.m., comprising 189 rooms. As the nearby subway station has been opened since late June 2016, the hotel's accessibility to the airport has been greatly improved and the airport is reachable from the hotel in approximately 30 minutes. Also, Nanshan Hotel is in the proximity of the Coastal City Commercial Area, Shenzhen Book Mall (Nanshan), Shenzhen Bay Sports Centre Stadium and theme parks such as the Window of the World, Overseas Chinese Town Harbour and the Sea World, which provides stable demand for hotel rooms from both business and tourism guests.

以下是我們對集團現有酒店的狀態更新：

惠州店

本集團已於二零一八年四月三十日成功收購位於惠州兩間分別於兩幢大樓的酒店，並自二零一八年六月一日起，該等酒店正式開始營運後將其作為一間酒店管理。惠州店位於惠州巽寮灣，靠近與深圳及香港相鄰的珠江三角洲，並有飛往中國其他城市的直達航班，交通便利。巽寮灣令賓客有機會在本地區享受海灘假日，成為海灘常客，在清澈海水中暢遊後流連沙灘、沐浴陽光。惠州兼具歷史及太平洋海岸的景觀，吸引國內外遊客到該區度假。

本集團期待造訪本地區的賓客數量增長，其將在長期而言提升惠州店表現。根據惠州機場報告，二零一六年透過惠州機場前往惠州的旅客約為550,000人，較二零一五年增加55%，而於二零一七年該統計數據較二零一六年強勁增長75%（約960,000名旅客）。未來數年，隨着在惠州政府支持下集中力量提高發展該區旅遊領域，尤其在沿海地區，預計旅客造訪的增長趨勢將持續並為惠州店提高受歡迎程度及提升表現奠定更堅實的基礎。

南山店

南山店地近深港西部通道及蛇口碼頭，擁有五層樓面，總建築面積約7,000平方米，包括189間客房。由於附近地鐵站自二零一六年六月底以來開通，酒店前往機場的交通大幅改善，用大概30分鐘便可大概從酒店抵達機場。此外，南山店鄰近海岸城商業區、深圳書城（南山店）、深圳灣體育中心以及世界之窗、歡樂海岸及海上世界等主題公園，地理位置便利，商業及遊客的酒店客房需求穩定。

Management Discussion and Analysis

管理層討論及分析

Information regarding Nanshan Hotel shows that the hotel renovation completed in 2017 does provide a significant impact in the growth of the hotel performance including increase in number of available rooms, occupancy rate and room rates. During the period, Nanshan Hotel has a turnaround financial performance, improving from a loss making position to a profit making position when comparing with the same period last year. This gives the Group an extra assurance to keep on implementing our updated sales strategies and operational management which have a proven positive impact on revenue and profit.

Luohu Hotel

Luohu Hotel is situated near Huaqiang North Commercial Street and Shenzhen Railway Station. It has one floor and a total GFA of approximately 2,000 sq.m., comprising 78 rooms. The hotel is conveniently located at the financial centre area in the Luohu District, adjoining the World Financial Centre, the Shenzhen Book City, The Mixc, the Citic City Plaza, the Shun Hing Square, the Shenzhen Grand Theatre and the Dongmen Commercial Pedestrian Street. Luohu Hotel also enjoys convenient transport access which allows visitors to reach Luohu Checkpoint, the Shenzhen Conventional & Exhibition Centre and Shenzhen Stadium easily by a short driving distance.

Thanks to the contribution from the Group's sales team and operational team, the revenue of Luohu Hotel has slightly increased during the period when comparing with the same period last year. The Group has commenced Luohu Hotel's small-scale renovation in the second quarter of 2018 and expects to finish the renovation in the second half of 2018. This small-scale renovation mainly includes repair of ceilings and walls, and replacement of in-room electrical appliances and bed linens.

南山店資料顯示，二零一七年內完成的酒店裝修對提升酒店表現有重大影響，包括提高可出租房間數量、入住率及房價。本期內，南山店的財務表現逆轉，與去年同期相比扭虧為盈，為集團提供繼續實施經更新的銷售策略及營運管理的信心，事實證明，該等銷售策略及營運管理對收益及溢利產生積極影響。

羅湖店

羅湖店位於華強北商業街及深圳火車站附近，擁有一層樓面，總建築面積約2,000平方米，包括78間客房。酒店位於羅湖區金融中心，臨近世界金融中心、深圳書城、萬象城、中信城市廣場、信興廣場地王大廈、深圳大劇院及東門商業步行街，地理位置便利。羅湖店交通亦十分便利，訪客只需很短車程即可抵達羅湖口岸、深圳會展中心及深圳體育場。

得益於本集團銷售團隊及營運團隊的貢獻，羅湖店收益於期內較去年同期略有增長。本集團已於二零一八年第二季度開始對羅湖店進行小規模裝修，預計於二零一八年下半年完成裝修。小規模裝修主要包括修葺天花板及牆，以及替換房內電器及床上用品。

Management Discussion and Analysis

管理層討論及分析

Although, as mentioned in the management discussion and analysis section of the Group's 2017 annual report, the implementation of one-visit-one-week policy by the Hong Kong Government has continuously cast adverse impacts on Luohu Hotel, the prime location of Luohu Hotel provides flexibility in switching customer base to itself. Luohu Hotel is now shifting its customer base from Hong Kong short-trip visitors to group customers participating in nearby events and exhibitions. Usual exhibitions and recreational functions in the Luohu District create strong demand for hotel rooms and thus, under the strategy implemented by the new management, the Group expects that Luohu Hotel will be able to shift to alternative customer groups by liaising with exhibition or function organisers, and the difficulty in shifting customers base will be lowered especially when the renovation works are completed during the second half of this year.

Baoan Hotel

Baoan Hotel has four floors and a total GFA of approximately 1,700 sq.m., comprising 55 rooms. The hotel is located at a commercial area in the Baoan District and adjoining the Baoan International Airport, the Nantou custom, the Baoan Coach Terminal and the Xixiang Pier. The Group plans to commence a comprehensive renovation to Baoan Hotel in the second half of 2018 and expects to finish the renovation before the end of this year. The comprehensive renovation to be carried out will mainly include hard refurbishment (such as leasehold improvements), soft refurbishment (such as replacement of mattresses and blankets) and replacement of in-room electrical appliances.

The revenue of Baoan Hotel has slightly decreased for the period since currently, Baoan Hotel is experiencing an adverse operating environment which is mainly due to the aged decoration of the interior. This is the main competitive disadvantage of Baoan Hotel comparing with new competitors in the surrounding area which offsets the Group's sale team's effort. Thus, the comprehensive renovation to be carried out should solve this issue well and boost both number of guests and revenue effectively.

誠如本集團二零一七年年報管理層討論及分析部分所述，儘管香港政府實施一週一行持續對羅湖店產生負面影響，但羅湖店優越的地理位置令其能夠靈活轉換客戶群。羅湖店目前正將客戶群由香港短途訪客轉為參與附近活動及展會的團體客戶。羅湖區頻繁舉行的展會及文娛活動為酒店客房帶來強大需求，因此，在新管理層所實施的策略下，本集團預計羅湖店將能夠透過與展會或活動組織者聯絡其他客戶群，尤其在維修工程於本年下半年完成後，轉換客戶群的困難度將會降低。

寶安店

寶安店擁有四層樓面，總建築面積約1,700平方米，包括55間客房。該酒店位於寶安區商業地段，鄰近寶安國際機場、南頭海關、寶安火車站及西鄉碼頭。本集團計劃於本年下半年開始全面裝修寶安店，預計裝修將於年底完成。擬開展的全面裝修將主要包括硬件裝修（如租賃物業裝修）、軟件裝修（如替換床墊及被子）及替換客房內電器。

寶安店收益於期內略有減少，原因為寶安店正面臨不利營運環境，主要由內部裝修老化所致。與周邊地區新開競爭對手相比，這是寶安店的主要競爭劣勢，抵銷了本集團銷售團隊的努力。因此，擬開展的全面裝修應將解決此問題並有效提升賓客數量及收益。

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FINANCIAL SERVICES AND ASSET MANAGEMENT BUSINESS

To focus on developing hotel operations and hotel consultations and management services, the Group has decided to integrate resources and discontinue the development of financial services and asset management business, and therefore has ceased to apply for 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 (Chapter 571 of the laws of Hong Kong) (the "SFO"). Moreover, as mentioned in the announcement of the Company dated 16 May 2018, the Company has terminated the acquisition of a company licensed to conduct Type 9 (asset management) regulated activities. This is aimed to accelerate the development of the core businesses and fully utilize current resources and experience to expand the Company's size. However, for the Group's future development, the Group will maintain the money lending business.

FINANCIAL REVIEW

For the six months ended 30 June 2018, the Group recorded a revenue of HK\$12,454,876, compared with HK\$7,020,868 for the corresponding period in the last financial year, representing an increase of approximately 77.4%. The Group recorded a total comprehensive loss of HK\$10,089,220 for the six months ended 30 June 2018 compared with HK\$21,417,739 (restated) for the same period of the last financial year, representing a decrease of approximately 52.9%.

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 2017 and 2018.

金融和資產管理業務

為集中發展酒店營運，酒店顧問及管理服務，本集團已決定整合資源，停止發展金融和資產管理業務，有關香港法例第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亦已停止。另外，誠如本公司日期為二零一八年五月十六日之公告所述，本公司已停止併購持有第9類（提供資產管理）受規管活動牌的公司。此舉希望能加快發展與本業相關之業務，盡用現有的資源和經驗，擴大公司規模。但為了本集團日後發展，本集團將繼續維持放債人業務。

財務回顧

截至二零一八年六月三十日止六個月，本集團錄得收益12,454,876港元，較上個財政年度同期之7,020,868港元上升約77.4%。本集團於截至二零一八年六月三十日止六個月錄得全面虧損總額10,089,220港元，而上個財政年度同期則為21,417,739港元（經重列），減少約52.9%。

下表載列本集團全部租賃經營酒店截至二零一七年及二零一八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

		2018 二零一八年	2017 二零一七年
Total available room nights	總可出租客房晚數	65,293	49,228
Occupancy rate	入住率	72.1%	67.1%
ARR* (RMB)	平均房租*(人民幣元)	222.5	193.6
RevPAR# (RMB)	平均每間客房收入#(人民幣元)	160.5	129.8

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

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

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

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Operating Costs

The total operating costs decreased by HK\$3,505,971, or approximately 13.4%, from HK\$26,238,223 (restated) for the last corresponding period to HK\$22,732,252 for the six months ended 30 June 2018. The Group has adopted cost saving measures to lower the operating expenses and employee benefit expenses. Depreciation of right-of-use assets increased by HK\$1,405,779 or approximately 21.7% due to the rental expenses of the newly acquired Huizhou Hotel. Depreciation of property, plant and equipment increased by HK\$1,375,546 or approximately 79.4%, primarily due to the depreciation of leasehold improvement upon completion of renovation projects of Nanshan Hotel.

The following table shows the total operating costs for the six months ended 30 June 2017 and 2018:

經營成本

截至二零一八年六月三十日止六個月，總經營成本由去年同期之26,238,223港元（經重列）減少3,505,971港元或約13.4%至22,732,252港元。本集團已採取成本節省措施以減少經營開支及僱員福利開支，使用權資產折舊增加1,405,779港元或約21.7%，此乃由於新收購惠州店之租賃費所致。而物業、廠房及設備折舊增加1,375,546港元或約79.4%主要由於完成南山店翻新工程的租賃物業裝修項目折舊所致。

下表載列截至二零一七年及二零一八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

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
Depreciation of right-of-use assets	使用權資產折舊	7,889,781	6,484,002
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,108,631	1,733,085
Employee benefit expenses	僱員福利開支	7,194,863	11,561,573
Utilities	公用設施	611,699	463,627
Other operating expenses	其他經營開支	3,927,278	5,035,936
Amortisation of other assets	其他資產攤銷	-	960,000

FINANCE COSTS

The finance costs decreased by HK\$4,764,126 to HK\$1,441,130 as compared with the six months ended 30 June 2017. It mainly represented the finance lease cost and the interest expenses for the shareholders' loans. During the Period, the Company successfully obtain a waiver regarding the interests of shareholder loans from the former controlling shareholder.

融資成本

融資成本較截至二零一七年六月三十日止六個月減少4,764,126港元至1,441,130港元，其主要為租賃融資成本及股東貸款之利息開支。於本期間，本公司成功向前控股股東爭取免收股東貸款的利息費用。

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LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2018, the Group mainly financed its operations and expansion with its own working capital generated internally and shareholders' loans (with principal amount of HK\$13,800,000 as at 30 June 2018, unsecured, interest-free, and repayable in 2020).

As at 30 June 2018, the Group had bank balances and cash of HK\$17,672,363 (31 December 2017: HK\$7,877,594). Gearing ratio is calculated as the amount of interest-bearing borrowings divided by total equity. The gearing ratio as of 30 June 2018 is N/A (31 December 2017: 76.5%).

The Group was in net current liabilities position of (HK\$6,385,319) as at 30 June 2018. The controlling shareholder, Mr. Yuan Fuer 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.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, 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 2016, the Group entered into a memorandum of understanding in relation to the proposed acquisition of a 51% interest 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. During the period, the Group demanded refund and the deposit was refunded in February 2018. Subsequent to the end of Reporting period, the negotiation on the proposed acquisition has been terminated. No legally binding agreement has been entered into in terms of the Proposed Acquisition.

Moreover, as mentioned in the Company's announcement dated 30 April 2018, the Company acquired the operating company of two lease-and-operate resort hotels in Huizhou during the period. The Company has been managing and operating the two hotels collectively as one single hotel since its official opening on 1 June 2018.

流動資金及財務資源

截至二零一八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股東貸款（二零一八年六月三十日本金為13,800,000港元，無抵押，免息及須於二零二零年償還）為其營運及擴展撥付資金。

於二零一八年六月三十日，本集團之銀行結餘及現金為17,672,363港元（二零一七年十二月三十一日：7,877,594港元）。資本負債比率乃按付息借貸除以資本總額計算。截至二零一八年六月三十日之資本負債比率為不適用（二零一七年十二月三十一日：76.5%）。

本集團於二零一八年六月三十日處於淨流動負債狀況（6,385,319港元）。控股股東，袁富兒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。

所持重大投資、附屬公司、聯營公司及合資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，本集團已於二零一六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，本集團要求退款而按金已於二零一八年二月退回。報告期間後，本集團已停止就建議收購進行磋商，本集團就該建議收購並未訂立任何具有法律約束力的協議。

此外，誠如本公司日期為二零一八年四月三十日之公告所述，本公司已於本期間收購的公司一間經營兩間位於惠州租賃經營的渡假酒店的公司，並自二零一八年六月一日起，該酒店正式開始營運後將其作為一間酒店管理。

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On 8 August 2017, ZhongHua Financial Holdings Limited (the “Vendor”) as vendor, the Group as purchaser and a guarantor had entered into a sale and purchase agreement (the “S&P Agreement”) in relation to the sale and purchase of the entire issued share capital of ZhongHua Finance Assets Management Co., Limited, a company licensed to conduct Type 9 regulated activities under the SFO (the “Transaction”). As disclosed in the announcement of the Company dated 16 May 2018, given that the conditions for completion under the S&P Agreement have not been met or waived or varied and a new agreement has yet to be reached, the Vendor and the Group have mutually agreed not to proceed with the Transaction.

Save as disclosed above, there was no significant investments held, or material acquisition or disposal of subsidiaries, associates or joint ventures by the Group during the six months ended 30 June 2018, and the Company does not have any plan for material investments or capital assets as at the date of this report.

FOREIGN EXCHANGE RISK

For the six months ended 30 June 2018, 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 to fluctuations in exchange rates under foreign exchange contracts, interest, currency swaps or other financial derivatives.

CAPITAL STRUCTURE

There was no material change in the capital structure of the Group during the six months ended 30 June 2018. The total number of the issued shares of the Company was 448,363,708 as at 30 June 2018 (31 December 2017: 448,363,708).

DIVIDENDS

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2018 (six months ended 30 June 2017: 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.

於二零一七年八月八日，中華金融控股有限公司（「賣方」）作為賣方及本集團作為買方及擔保人訂立買賣協議（「買賣協議」），內容有關買賣中華金融資產管理有限公司（一間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（「交易」）。誠如二零一八年五月十六日之公告所述，由於該買賣協議中的條件尚未達成或獲豁免或更改，而並未有新協議達成，因此賣方與本集團雙方同意不會繼續此交易。

除上文所披露者外，截至二零一八年六月三十日止六個月，本集團概無持有重大投資或附屬公司或聯營公司或合資公司之重大收購或出售，並於本報告日，本公司未有落實任何未來重大投資或資本資產計劃。

外匯風險

截至二零一八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因外匯變動而帶來的風險。

資本結構

截至二零一八年六月三十日止六個月，本集團資本結構概無重大變動。於二零一八年六月三十日，本公司已發行股份總數為448,363,708股（二零一七年十二月三十一日：448,363,708股）。

股息

董事不建議就截至二零一八年六月三十日止六個月派付中期股息（截至二零一七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。

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EMPLOYEE AND REMUNERATION POLICIES

The Group had 88 employees (31 December 2017: 56 employees) as at 30 June 2018. 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 2018, the Group did not have any charges on its assets (31 December 2017: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2018, the Group had no material contingent liabilities (31 December 2017: Nil).

CHANGE OF CONTROLLING SHAREHOLDERS

On 25 July 2018, Hehui International Development Limited (“Hehui”) and the Company jointly announced that Hehui had entered into a share purchase agreement (the “Agreement”) with China Medical Overseas Limited to purchase a total of 269,019,010 shares of the Company, representing approximately 60% of the total number of issued shares of the Company, for a cash consideration of HK\$300,000,000 (equivalent to approximately HK\$1.1152 per share). The Agreement was executed on 18 July 2018. Pursuant to Rule 26.1 of the Takeovers Code, Hehui is required to make an unconditional mandatory offer in cash for all the issued Shares of the Company at the offer price of HK\$1.1152 per offer share (the “Offer”).

The Offer will close on 5 September 2018.

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 2018.

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 2018.

僱員及薪酬政策

於二零一八年六月三十日，本集團有88名僱員（二零一七年十二月三十一日：56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

於二零一八年六月三十日，本集團並無任何資產抵押（二零一七年十二月三十一日：無）。

資本承擔及或然負債

於二零一八年六月三十日，本集團並無任何重大或然負債（二零一七年十二月三十一日：無）。

控股股東變動

於二零一八年七月二十五日，Hehui International Development Limited（「Hehui」）與本公司聯合宣佈，Hehui已與中華醫學海外有限公司訂立股份購買協議（「協議」），購買合共269,019,010股本公司股份，相當於本公司已發行股份總數約60%，現金代價為300,000,000港元（相當於每股1.1152港元）。協議已於二零一八年七月十八日完成。根據收購守則規則26.1，Hehui須提出強制性無條件現金收購要約，以按要約價每股要約股份1.1152港元收購本公司全部已發行股份（「要約」）。

要約將於二零一八年九月五日結束。

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二零一八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。

於截至二零一八年六月三十日止六個月，本公司或其任何附屬公司概無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。

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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 2018, 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 2018, Mr. Ye Shusheng was the Chief Executive Officer. His role is to oversee the overall management of the Company.

During the six months ended 30 June 2018, the Company did not have a Chairman. The role of the Chairman was jointly performed by the executive directors of the Company as a whole.

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。本公司於截至二零一八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。

截至二零一八年六月三十日止六個月，叶樹生先生擔任行政總裁，他的職責為監察本公司整體管理。

截至二零一八年六月三十日止六個月，本公司並無主席。主席職責由本公司全體執行董事共同履行。

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。

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管理層討論及分析

CHANGES IN DIRECTORS' INFORMATION

Mr. Wong Yiu Kit, Ernest has been appointed as an executive director of KVB Kunlun Financial Group Limited (stock code: 6877), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), with effect from 21 May 2018.

Save as disclosed above, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 2018 to 30 June 2018. 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 2018, 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 2018 has been reviewed by ZHONGHUI ANDA CPA Limited, the auditor of the Company.

董事資料的變更

黃耀傑先生於二零一八年五月二十一日已獲委任為昆侖國際金融集團有限公司的執行董事，該公司於香港聯合交易所有限公司（「聯交所」）主板上市（股份代號：6877）。

除上文所披露外，概無任何資料就上市規則第13.51B(1)條需要披露。

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，而彼等已確認於二零一八年一月一日至二零一八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以（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，並與本集團管理層討論及審閱本集團的內部監控及財務匯報事宜，包括審閱截至二零一八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

本集團截至二零一八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。

Management Discussion and Analysis

管理層討論及分析

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 2018, the Company has not granted any share option under the Scheme. No share option under this Scheme remains outstanding as at 1 January 2018 and 30 June 2018 (31 December 2017: Nil).

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。

於截至二零一八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。於二零一八年一月一日及二零一八年六月三十日，該計劃項下概無尚未行使之購股權(二零一七年十二月三十一日：無)。

Management Discussion and Analysis

管理層討論及分析

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

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

As at 30 June 2018, so far as was known to the Directors, the following Director had interest in the shares of the Company as notified to the Company and the Stock Exchange pursuant to the Model Code and as recorded in the register required to be kept by the Company under section 352 of the SFO:

就董事所知，於二零一八年六月三十日，以下董事於本公司股份中擁有根據標準守則須知會本公司及聯交所及須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益：

Directors	Capacity	Nature of interests	Number of shares held	Approximate % of shareholding (Note)
董事	身份	權益性質	持有股份數目	股權概約百分比 (附註)
Dai Lifeng 戴立峰	Beneficial owner 實益擁有人	Personal interest 個人權益	8,060,000	1.80%

Note: The approximate shareholding percentage is based on the number of Shares in issue as at 30 June 2018 of 448,363,708.

附註：概約股權百分比乃基於二零一八年六月三十日已發行股份448,363,708股。

Save as disclosed above, as at 30 June 2018, so far as was known to the Directors, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露外，就董事所知，於二零一八年六月三十日，概無本公司董事及主要行政人員於本公司或其任何相關法團(定義見證券及期貨條例第XV部)之股份，相關股份及債權證登記於本公司根據證券及期貨條例第352條存置之登記冊，或根據標準守則須知會本公司及聯交所的任何權益及淡倉。

Management Discussion and Analysis

管理層討論及分析

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 2018, so far as was known to the Directors, the following substantial shareholders (as defined in the Listing Rules) of the Company, not being Directors or the chief executive of the Company, had interests in the Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

就董事所知，於二零一八年六月三十日，以下本公司主要股東(定義見上市規則)(並非本公司董事或主要行政人員)於股份中擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益：

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 2) 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2)	Beneficial owner 實益擁有人	269,019,010	60.00%
Ding Yifan (Note 2) 丁一凡(附註2)	Interest in a controlled incorporation 於受控制法團之權益	269,019,010	60.00%
Lyu Na (Note 3) 呂娜(附註3)	Interest of spouse 配偶權益	269,019,010	60.00%
Li Gang 李剛	Interest in a controlled incorporation 於受控制法團之權益	35,740,071	7.97%
Hua Zhi Investment Limited	Interest in a controlled corporation 於受控制法團之權益	35,740,071	7.97%
CFFC (HK) Financial Holdings Company	Interest in a controlled incorporation 於受控制法團之權益	35,740,071	7.97%
CEFC (HK) Financial Holdings Corporation	Interest in a controlled incorporation 於受控制法團之權益	35,740,071	7.97%
Chen Hui 陳輝	Interest in a controlled incorporation 於受控制法團之權益	35,740,071	7.97%
China Dragon Asia Champion Fund Series SPC	Beneficial owner 實益擁有人	35,740,071	7.97%

Management Discussion and Analysis

管理層討論及分析

Note 1: The approximate shareholding percentages are based on the number of Shares in issue as at 30 June 2018 of 448,363,708.

Note 2: As at 30 June 2018, the equity interests in China Medical Overseas Limited were owned by Mr. Ding Yifan and Mr. Huang Yun as to 90% and 10% respectively. Mr. Ding Yifan was therefore deemed to be interested in the 269,019,010 Shares in which China Medical Overseas Limited was interested under the SFO.

Note 3: Ms. Lyu Na, the spouse of Mr. Ding Yifan, was deemed to be interested in the shares in which Mr. Ding Yifan was interested under the SFO.

Save as disclosed above, as at 30 June 2018, so far as was known to the Directors, no other person (not being a Director or the chief executive of the Company) had any interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

By Order of the Board

Legend Strategy International Holdings Group Company Limited
Ye Shusheng

Executive Director and Chief Executive Officer

Hong Kong, 29 August 2018

附註1：概約股權百分比乃基於二零一八年六月三十日已發行股份數目448,363,708股。

附註2：於二零一八年六月三十日，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，丁一凡先生根據證券及期貨條例被視為於中華醫學海外有限公司擁有權益之269,019,010股股份中擁有權益。

附註3：根據證券及期貨條例，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股份中擁有權益。

除上文所披露者外，就董事所知，於二零一八年六月三十日，概無其他人士（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須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

承董事會命

枋濟國際集團控股有限公司
叶樹生

執行董事及行政總裁

香港，二零一八年八月二十九日

Independent Review Report

獨立審閱報告



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

枋濟國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 52 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2018 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.

致枋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23至52頁之中期財務資料，當中包括 貴公司於二零一八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入表、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。

Independent Review Report

獨立審閱報告

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\$9,980,698 for the six months ended 30 June 2018 and had net current liabilities of HK\$6,385,319 as at 30 June 2018. 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 2018

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二零一八年六月三十日止六個月錄得9,980,698港元的虧損及於二零一八年六月三十日，貴集團的淨流動負債為6,385,319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，二零一八年八月二十九日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收入表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年	2017 二零一七年
		HK\$ 港元	HK\$ 港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核) (Restated) (經重列)
	Notes 附註		
Revenue	收益	6	
Depreciation of right-of-use assets	使用權資產折舊	12,454,876	7,020,868
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(7,889,781)	(6,484,002)
Amortisation of other asset	其他資產攤銷	(3,108,631)	(1,733,085)
Employee benefit expenses	僱員福利開支	–	(960,000)
Utilities	公用設施	(7,194,863)	(11,561,573)
Gain on extension of convertible bonds	延長可換股債券之收入	(611,699)	(463,627)
Other operating expenses	其他營運開支	–	4,102,252
Other income	其他收入	(3,927,278)	(5,035,936)
		2,400,404	75,797
Operating loss	營運虧損	(7,876,972)	(15,039,306)
Finance costs	融資成本	(1,441,130)	(6,205,256)
Loss before tax	除稅前虧損	(9,318,102)	(21,244,562)
Income tax expenses	所得稅開支	(662,596)	(415,473)
Loss for the period	期內虧損	(9,980,698)	(21,660,035)
Other comprehensive income:	其他全面收益：		
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益之項目：</i>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(108,522)	242,296
Other comprehensive income for the period, net of tax	期內其他全面收益，除稅後	(108,522)	242,296
Total comprehensive loss for the period	期內全面虧損總額	(10,089,220)	(21,417,739)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收入表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$ 港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核) (Restated) (經重列)
		Notes 附註	
Loss for the period attributable to:	以下人士應佔期內虧損：		
Owners of the Company	本公司擁有人	(9,966,627)	(21,660,035)
Non-controlling interests	非控股權益	(14,071)	–
		(9,980,698)	(21,660,035)
Total comprehensive loss for the period attributable to:	以下人士應佔期內全面虧損總額：		
Owners of the Company	本公司擁有人	(10,066,382)	(21,417,739)
Non-controlling interests	非控股權益	(22,838)	–
		(10,089,220)	(21,417,739)
Loss per share	每股虧損	12	
Basic and diluted (Hong Kong cents)	基本及攤薄(港仙)	(2.22)	(5.50)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2018 於二零一八年六月三十日

		Notes	30 June 2018 二零一八年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 (Audited) (經審核) (Restated) (經重列)	1 January 2017 二零一七年 一月一日 HK\$ 港元 (Audited) (經審核) (Restated) (經重列)
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	13	11,473,479	11,592,467	9,167,109
Deposits	按金	14	–	23,988,000	23,988,000
Rental deposits	租賃按金	14	3,193,211	1,574,898	3,241,518
Goodwill	商譽	19	2,060,823	–	–
Prepayment	預付款項	14	–	–	7,180,044
Other asset	其他資產		–	–	2,400,000
Right-of-use assets	使用權資產		41,571,693	14,141,984	25,555,775
Deferred income tax assets	遞延所得稅資產		4,233,099	4,286,514	3,187,371
			62,532,305	55,583,863	74,719,817
Current assets	流動資產				
Rental deposits	租賃按金	14	1,808,069	1,950,980	–
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項	14	13,432,463	625,981	21,762,008
Trade receivables	應收賬款	15	933,484	268,265	64,555
Inventories	存貨		360,104	–	–
Bank and cash balances	銀行及現金結餘		17,672,363	7,877,594	10,100,000
			34,206,483	10,722,820	31,926,563
Current liabilities	流動負債				
Convertible bonds	可換股債券	16	–	–	53,152,913
Trade and other payables	應付賬款及其他應付款項	17	23,768,987	6,962,750	8,592,847
Lease liabilities	租賃負債		15,760,294	9,601,514	14,193,135
Tax payables	應付稅項		1,062,521	1,063,262	1,518,650
Provision for asset retirement	報廢資產復原撥備		–	232,000	659,645
			40,591,802	17,859,526	78,117,190

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2018 於二零一八年六月三十日

		Notes 附註	30 June 2018 二零一八年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 (Audited) (經審核) (Restated) (經重列)	1 January 2017 二零一七年 一月一日 HK\$ 港元 (Audited) (經審核) (Restated) (經重列)
Net current liabilities	淨流動負債		(6,385,319)	(7,136,706)	(46,190,627)
Total assets less current liabilities	資產總值減流動負債		56,146,986	48,447,157	28,529,190
Non-current liabilities	非流動負債				
Lease liabilities	租賃負債		27,282,201	6,160,656	14,061,230
Provision for asset retirement	報廢資產復原撥備		2,988,139	4,280,635	3,135,871
Borrowings	借款	18	11,345,327	16,935,781	–
			41,615,667	27,377,072	17,197,101
NET ASSETS	資產淨值		14,531,319	21,070,085	11,332,089
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		4,483,637	4,483,637	3,935,250
Reserves	儲備		9,327,537	15,843,465	7,396,839
Equity attributable to owners of the Company	本公司擁有人應佔權益		13,811,174	20,327,102	11,332,089
Non-controlling interests	非控股權益		720,145	742,983	–
TOTAL EQUITY	權益總額		14,531,319	21,070,085	11,332,089

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interest		Total
		Share capital	Share premium	Exchange reserve	Statutory reserve	Convertible bonds equity reserve 可換股債券權益儲備	Other reserve	Shareholder's contributions	Accumulated losses	Sub-total		
		股本	股份溢價	匯兌儲備	法定儲備	權益儲備	其他儲備	股東注資	累計虧損	小計	非控股權益	總額
Note		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
附註		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
At 1 January 2017, as restated (Audited)	於二零一七年一月一日，經重列(經審核)	3,935,250	204,694,080	1,959,236	1,742,763	4,301,492	8,020,110	20,751,024	(234,071,866)	11,332,089	-	11,332,089
Total comprehensive loss for the period (Unaudited)	期內全面虧損總額(未經審核)	-	-	242,296	-	-	-	-	(21,660,035)	(21,417,739)	-	(21,417,739)
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	2,201,532	1,742,763	4,301,492	8,020,110	20,751,024	(255,731,901)	(10,085,650)	-	(10,085,650)
At 1 January 2018, as restated (Audited)	於二零一八年一月一日，經重列(經審核)	4,483,637	261,578,477	720,920	1,742,763	-	8,020,110	20,394,393	(276,613,198)	20,327,102	742,983	21,070,085
Total comprehensive loss for the period (Unaudited)	期內全面虧損總額(未經審核)	-	-	(99,755)	-	-	-	-	(9,966,627)	(10,066,382)	(22,838)	(10,089,220)
Waiver of borrowing from Former Shareholder (Unaudited)	豁免前控股股東借款(未經審核)	18	-	-	-	-	-	3,550,454	-	3,550,454	-	3,550,454
At 30 June 2018 (Unaudited)	於二零一八年六月三十日(未經審核)	4,483,637	261,578,477	621,165	1,742,763	-	8,020,110	23,944,847	(266,579,825)	13,811,174	720,145	14,531,319

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$ 港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)
		Notes 附註	
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用的現金淨額		(1,047,955) (13,705,214)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Refundable deposit received from enhancements of hotels	酒店裝修之已收可退換按金		– 21,000,000
Acquisition of a subsidiary	收購子公司	19	(1,016,258) –
Proceeds from refund of deposit for proposed acquisition of a hotel	退還建議收購一間酒店之已付按金的所得款項		23,988,000 –
Purchases of property, plant and equipment	購買物業、廠房及設備		(655,946) (5,968)
Other investing activities	其他投資活動		– (2,628,663)
NET CASH GENERATED FROM INVESTING ACTIVITIES	投資活動所得現金淨額		22,315,796 18,365,369
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Payment for convertible bonds interest	可換股債券利息付款		– (4,080,000)
Repayment of borrowing	償還借款		(2,700,000) –
Repayment of lease liabilities	償還租賃負債		(8,690,200) (7,204,239)
Net proceeds from borrowing	借款之所得款項淨額		– 6,000,000
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用的現金淨額		(11,390,200) (5,284,239)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額		9,877,641 (624,084)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初的現金及現金等價物		7,877,594 10,100,000
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變化影響		(82,872) 198,796
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		17,672,363 9,674,712

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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 Suite 1705, 17/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In the opinion of the directors of the Company, as at 30 June 2018, China Medical Overseas Limited ("CMO"), a company incorporated in the British Virgin Islands, is the controlling shareholder of the Company (the "Former Shareholder"). CMO is owned by Mr. Ding Yifan ("Mr. Ding") and Mr. Huang Yun, executive director of the Company, as to 90% and 10% equity interest respectively. On 18 July 2018, Hehui International Development Limited (the "Controlling Shareholder"), a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Yuan Fuer ("Mr. Yuan"), became controlling shareholder of the Company.

The Company is an investment holding company. The Group is principally engaged in the hotel operations, hotel consultations and management services and other related businesses in the People's Republic of China (the "PRC"). The Company is also involved in the money lending business.

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中環德輔道中19號環球大廈17樓1705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。

本公司董事認為，於二零一八年六月三十日，中華醫學海外有限公司(「中華醫學」)(一間於英屬處女群島註冊成立的公司)為本公司的控股股東(「前股東」)。中華醫學由丁一凡先生(「丁先生」)及黃雲先生(本公司執行董事)分別擁有90%及10%股權。於二零一八年七月十八日，Hehui International Development Limited(「控股股東」)(一間於英屬處女群島註冊成立的公司並由袁富兒先生(「袁先生」)全資擁有)成為本公司的控股股東。

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」)從事酒店營運及提供酒店顧問與酒店管理服務等相關業務。本公司亦有從事放債業務。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2. GOING CONCERN

During the six month ended 30 June 2018, the Group incurred a loss of HK\$9,980,698 and had net current liabilities of HK\$6,385,319 as at 30 June 2018. The controlling shareholder, Mr. Yuan, has agreed to provide adequate funds for the Group to meet its liabilities as they fall due.

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 2018. 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.

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 2017 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 2017 except as stated below.

2. 持續經營

截至二零一八年六月三十日止六個月，本集團錄得虧損9,980,698港元及於二零一八年六月三十日，本集團的淨流動負債為6,385,319港元。控股股東袁先生已同意為本集團提供足夠資金，以償還到期之負債。

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二零一八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. 編製基準

該等簡明財務報表已根據香港會計師公會（「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編製。

該等簡明財務報表應與二零一七年年度的財務報表一併閱讀。除下文所述者外，編製該等簡明財務報表所用會計政策及計算方法應與截至二零一七年十二月三十一日止年度的年度財務報表所採用者一致。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(a) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

3. 編製基準(續)

(a) 金融資產

倘某項資產乃根據合約規定購買或出售，而合約條款規定須按市場指定時限內交收，則金融資產按交易日基準確認及終止確認，並初步按公平值另加直接應計交易成本確認，惟按公平值計入損益之投資除外。收購按公平值計入損益之投資直接應計交易成本即時於損益確認。

本集團之金融資產乃按以下類別分類：

- 按攤銷成本計量之金融資產

倘金融資產(包括應收賬款及其他應收款項)符合以下條件則歸入此分類：

- 資產乃按目標為持有資產以收取合約現金流之業務模式持有；及
- 資產之合約條款導致於特定日期產生純粹為支付本金及結欠本金利息之現金流。

該等資產其後使用實際利息法按攤銷成本減預期信貸虧損之虧損撥備計量。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(b) Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, contract assets and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables, contract assets and lease receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

3. 編製基準(續)

(b) 預期信貸虧損之虧損撥備

本集團按攤銷成本確認金融資產之預期信貸虧損之虧損撥備。預期信貸虧損為信貸虧損之加權平均數，發生違約情況之風險為加權考慮因素。

於各報告期末，本集團按相等於預期信貸虧損之金額計量金融工具之虧損撥備，而有關預期信貸虧損乃因所有可能於該涉及應收賬款、合約資產及應收租賃款項之金融工具之預計年內發生違約事件或倘該金融工具之信貸風險自初步確認以來大幅增加而導致(「全期預期信貸虧損」)。

倘於報告期末某項金融工具(應收賬款、合約資產及應收租賃款項除外)之信貸風險自初步確認以來並無大幅增加，本集團按相等於部分全期預期信貸虧損之金額計量該金融工具之虧損撥備，即該金融工具可能於報告期後12個月內發生違約事件而導致之預期信貸虧損。

預期信貸虧損金額或旨在將報告期末之虧損撥備調整至所需金額而撥回之金額於損益確認為減值收益或虧損。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(c) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

3. 編製基準(續)

(c) 與客戶的合約收益

收益參考常見業務慣例按客戶合約列明之代價計量，且不包括代表第三方收取之款項。倘合約規定客戶付款與轉移承諾產品或服務之間之期間超過一年，代價須就重大融資組成部分之影響作出調整。

本集團於透過將某項產品或服務之控制權轉移至客戶而達成履約責任時確認收益。視乎合約條款及該合約適用之法例，履約責任可隨時間或於特定時間達成，倘符合以下條件，履約責任須隨時間達成：

- 客戶於本集團履約時同時接受及使用本集團履約所提供之利益；
- 本集團履約產生或增強一項於產生或增強時由客戶控制之資產；或
- 本集團履約並無產生對本集團而言具替代用途之資產，且本集團對迄今完成之履約付款具有可執行權利。

倘履約責任隨時間達成，收益參考達成該履約責任之進度確認，否則收益於客戶取得產品或服務之控制權時確認。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(d) Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Buildings over the lease term of 1 year to 10 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below HK\$39,000.

3. 編製基準(續)

(d) 租賃

本集團作為承租人

租賃於租賃資產可供本集團使用時確認為使用權資產及相應租賃負債。使用權資產乃按成本減累計折舊及減值虧損列賬。使用權資產乃按資產使用年期與租賃期二者中較短者以直線法按撇銷其成本的利率折舊。主要年利率如下：

樓宇 租期一年至十年

使用權資產乃按成本(包括初步計量租賃負債金額、預付租賃款項、初步直接成本及恢復成本)計量。倘有關利率或本集團的遞增借款利率可予確定，租賃負債包括使用租約內所述利率折現租賃付款的現值淨額。各租賃付款於負債與融資成本之間作出分配。融資成本於租期內在損益內扣除，以使租賃負債餘額的息率固定。

與短期租賃相關的付款及低價值資產租賃於租期內以直線法在損益內確認為開支。短期租賃乃為初步租期為12個月或少於12個月的租賃。低價值資產為價值低於39,000港元的資產。

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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 2018. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“HKAS”); 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 except as stated below.

(a) HKFRS 9 (2014) “Financial Instruments”

HKFRS 9 (2014) has been applied retrospectively and resulted in changes in the consolidated amount reported in the consolidated condensed financial statements as follows:

At 31 December 2017

Decrease in share premium
Decrease in accumulated losses

For the six months ended 30 June 2017

Increase in gain on extension of convertible bonds
Increase in finance costs

Loss per share
Decrease in basic loss per share
(Hong Kong cents)
Decrease in diluted loss per share
(Hong Kong cents)

於二零一七年十二月三十一日

股份溢價減少
累計虧損減少

截至二零一七年六月三十日止六個月

延長可換股債券之收入增加
融資成本增加

每股虧損
每股基本虧損減少(港仙)
每股攤薄虧損減少(港仙)

HK\$
港元
Dr/(Cr)
扣除/(計入)

2,777,683
(2,777,683)

(4,102,252)
1,399,779

0.69

0.69

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二零一八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(「香港會計準則」)及詮釋。除下文所述者外，採納該等新訂及經修訂的香港財務報告準則並未導致本集團之會計政策、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出現重大變動。

(a) 香港財務報告準則第9號(二零一四年)「金融工具」

香港財務報告準則第9號(二零一四年)已追溯應用，並導致簡明綜合財務報表所呈報之綜合金額作出如下變動：

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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

(Continued)

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective except as stated below. 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.

(a) HKFRS 16 “Leases”

The Group has early adopted HKFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under HKAS 17 “Leases.”

HKFRS 16 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the condensed consolidated financial statements as follows:

4. 採納新訂及經修訂的香港財務報告準則(續)

除下文所述者外，本集團尚未採納已頒佈但尚未生效之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之影響，但尚未確定該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。

(a) 香港財務報告準則第16號「租賃」

本集團已提早採納香港財務報告準則第16號，且已就先前歸類為香港會計準則第17號「租賃」項下之「經營租賃」之租賃確認使用權資產及租賃負債。

香港財務報告準則第16號已追溯應用，並導致簡明綜合財務報表所呈報之綜合金額作出如下變動：

		31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 Dr/(Cr) 扣除/(計入)	1 January 2017 二零一七年 一月一日 HK\$ 港元 Dr/(Cr) 扣除/(計入)
Statement of financial position	財務狀況表		
Increase in right-of-use assets	使用權資產增加	14,141,984	25,555,775
Increase in lease liabilities	租賃負債增加	(15,762,170)	(28,254,365)
Decrease in prepayments	預付款項減少	(204,745)	-
Decrease in other payables	其他應付款項減少	769,333	1,203,757
Increase in exchange reserve	匯兌儲備增加	(88,569)	(138,533)
Increase in accumulated losses	累計虧損增加	1,144,167	1,633,366

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

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

(Continued)

(a) HKFRS 16 “Leases” (Continued)

4. 採納新訂及經修訂的香港財務報告準則(續)

(a) 香港財務報告準則第16號「租賃」(續)

For the six months
ended 30 June
2017
截至二零一七年
六月三十日
止六個月
HK\$
港元
Dr/(Cr)
扣除/(計入)

Statement of profit or loss	損益表	
Decrease in operating lease expenses	經營租賃開支減少	(7,401,888)
Increase in lease interest	租賃利息增加	786,536
Increase in depreciation of right-of-use assets	使用權資產折舊增加	6,484,002
Decrease in exchange differences on translating foreign operations	換算海外業務之匯兌差額減少	71,353
Loss per share	每股虧損	
Decrease in basic loss per share (Hong Kong cents)	每股基本虧損減少 (港仙)	0.03
Decrease in diluted loss per share (Hong Kong cents)	每股攤薄虧損減少 (港仙)	0.03

5. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

As at 30 June 2018 and 31 December 2017, there were no assets and liabilities that were measured at fair value.

5. 公平值計量

簡明綜合財務狀況表所列示本集團金融資產及金融負債的賬面值與其各自的公平值相若。

於二零一八年六月三十日及二零一七年十二月三十一日，概無資產及負債按公平值計量。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

6. SEGMENT INFORMATION

The Group has one reportable segment as follows:

- Hotel operations

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

6. 分部資料

本集團的一個可呈報分部如下：

- 酒店營運

期內，可呈報分部的分部資料載列如下：

		Hotel operations	Total 總額
		酒店營運	
		HK\$	HK\$
		港元	港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
<i>Six months ended 30 June 2018:</i>	<i>截至二零一八年六月三十日 止六個月：</i>		
Revenue from external customers	來自外來客戶之收益	12,454,876	12,454,876
Segment profit	分部溢利	3,267,937	3,267,937
<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 (restated)	分部虧損(經重列)	(1,407,661)	(1,407,661)

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

6. SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers:

6. 分部資料(續)

與客戶的合約收益之分析：

		Hotel operations 酒店營運 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 2018:</i>			
<i>截至二零一八年六月三十日 止六個月：</i>			
Geographical market	地理市場		
PRC	中國	12,454,876	12,454,876
Major product/service	主要產品／服務		
Rental of hotel rooms	酒店客房租賃	12,454,876	12,454,876
Timing of revenue recognition	確認收益的時間		
Over time	隨時間達成	12,454,876	12,454,876
<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>			
Geographical market	地理市場		
PRC	中國	7,020,868	7,020,868
Major product/service	主要產品／服務		
Rental of hotel rooms	酒店客房租賃	7,020,868	7,020,868
Timing of revenue recognition	確認收益的時間		
Over time	隨時間達成	7,020,868	7,020,868

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

6. SEGMENT INFORMATION (Continued)

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

6. 分部資料(續)

分部業績與除所得稅前虧損之對賬載列如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$ 港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核) (Restated) (經重列)
Total profit/(loss) of reportable segments	可呈報分部溢利/(虧損)總額	3,267,937	(1,407,661)
Unallocated corporate expenses, net	未分配企業開支淨額	(11,153,480)	(13,633,355)
Finance income	融資收入	8,571	1,710
Finance costs	融資成本	(1,441,130)	(6,205,256)
Loss before tax for the period	期內除稅前虧損	(9,318,102)	(21,244,562)

7. OTHER INCOME

7. 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$ 港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	8,571	1,710
Food and beverage	食物及飲品	89,466	74,087
Exchange gain	匯兌收益	700,145	–
Reversal of provision for asset retirement	沖回報廢資產復原撥備	1,599,522	–
Others	其他	2,700	–
		2,400,404	75,797

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

8. FINANCE COSTS

8. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$ 港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$ 港元 (Unaudited) (Restated) (經重列)
Finance cost on provision for asset retirement	報廢資產復原撥備的融資成本	106,444	–
Lease interest	租賃利息	674,686	786,536
Interest on borrowing	借貸的利息	660,000	40,000
Imputed interest costs on convertible bonds	可換股債券應歸利息成本	–	6,032,793
		1,441,130	6,859,329
Amount capitalised	資本化金額	–	(654,073)
		1,441,130	6,205,256

9. INCOME TAX EXPENSES

9. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$ 港元 (Unaudited) (未經審核)	2017 二零一七年 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
Current tax – PRC	即期稅項—中國	13,103	–
Deferred income tax	遞延所得稅	649,493	–
		662,596	415,473

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

9. INCOME TAX EXPENSES (Continued)

Hong Kong Profits Tax is provided at a rate of 16.5% (Six months ended 30 June 2017: 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 2017: HK\$Nil).

The PRC corporate income tax is provided at the rate of 25% (Six months ended 30 June 2017: 25%) for the period. No provision for PRC corporate income tax since the Group has no assessable profit in the PRC during the period (Six months ended 30 June 2017: HK\$Nil).

10. LOSS FOR THE PERIOD

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

9. 所得稅開支(續)

香港利得稅按期內估計應課稅溢利以稅率16.5%(截至二零一七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(截至二零一七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%(截至二零一七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(截至二零一七年六月三十日止六個月:零港元)。

10. 期內虧損

本集團的期內虧損乃經(計入)/扣除下列項目呈列:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$ 港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$ 港元 (Unaudited) (未經審核)
Reversal of provision for asset retirement	沖回報廢資產復原撥備	(1,599,522)	-
Directors' remuneration	董事薪酬	2,533,306	4,612,223

11. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2018 (Six months ended 30 June 2017: HK\$Nil).

11. 股息

於截至二零一八年六月三十日止六個月,董事概無建議派付任何中期股息(截至二零一七年六月三十日止六個月:零港元)。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

12. 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\$9,966,627 (Six months ended 30 June 2017 (restated): HK\$21,660,035) and the weighted average number of ordinary shares of 448,363,708 (Six months ended 30 June 2017: 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 2017: Nil). Accordingly, the diluted loss per share is same as basic loss per share for both periods.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired property, plant and equipment of approximately HK\$655,946 (Six months ended 30 June 2017: HK\$7,040,085).

Items of property, plant and equipment with a net book value of HK\$1,500,000 were disposed of during the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$Nil), resulting in no gain or loss on disposal (six months ended 30 June 2017: HK\$Nil).

12. 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9,966,627港元(截至二零一七年六月三十日止六個月(經重列): 21,660,035港元)及期內已發行普通股加權平均數448,363,708股(截至二零一七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(截至二零一七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。

13. 物業、廠房及設備

截至二零一八年六月三十日止六個月, 本集團購置物業、廠房及設備約655,946港元(截至二零一七年六月三十日止六個月: 7,040,085港元)。

賬面淨值為1,500,000港元之物業、廠房及設備項目已於截至二零一八年六月三十日止六個月內出售(截至二零一七年六月三十日止六個月: 零港元), 並無產生任何出售收入或虧損(截至二零一七年六月三十日止六個月: 零港元)。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

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

14. 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：

		Notes 附註	30 June 2018 二零一八年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 (Audited) (經審核) (Restated) (經重列)
Non-current portion	非流動部分			
Deposit paid	已付按金	(a)	–	23,988,000
Rental deposits	租賃按金		3,193,211	1,574,898
			3,193,211	25,562,898
Current portion	流動部分			
Prepayments and deposit paid	預付款項及已付按金		616,742	420,094
Rental deposits	租賃按金		1,808,069	1,950,980
Other receivables	其他應收款項	(b)	12,815,721	205,887
			15,240,532	2,576,961
			18,433,743	28,139,859

Notes:

- (a) The amount of HK\$23,988,000 represented deposit paid for proposed acquisition of 51% equity interest in a hotel. During the reporting period, the Group demanded refund and received the refund in February 2018. Negotiation of the proposed acquisition has been terminated subsequent to the end of the reporting period.

附註：

- (a) 23,988,000港元為建議收購一間酒店51%股權的已付按金。於報告期間，本集團要求退款，並於二零一八年二月收到退款。於報告期間結束後，本集團已停止建議收購事項的磋商。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (b) As at 30 June 2018, the balance includes receivables for disposal of property, plant and equipment of HK\$1,500,000, which are subsequently settled in July 2018.

As at 30 June 2018, the balance also includes receivables from two related companies, both of which are ultimately controlled by Mr. Yuan, of HK\$9,677,099 in relation to intercompany current account prior to the acquisition of a subsidiary during the period. The balances are guaranteed by a company which is ultimately controlled by Mr. Yuan and non-interest bearing. Subsequent to the end of the reporting period, the balances were settled in August 2018 by way of netting off with other payables to a related company with reference to a netting off agreement in relation to balances brought forward from acquisition of a subsidiary during the period.

15. 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 past due date, and net of allowance, is as follows:

14. 預付款項、按金及其他應收款項(續)

附註：(續)

- (b) 於二零一八年六月三十日，其他應收款項包括應收出售物業、廠房及設備的所得款項1,500,000港元，該筆款項期後已於二零一八年七月全數歸還。

於二零一八年六月三十日，其他應收款項亦包括應收兩間由袁先生最終控制之關聯公司款項9,677,099港元(該筆款項是於本公司於期內收購一間子公司之前已有的往來賬款)，該筆款項是由袁先生最終控制的公司作擔保及免息的，於本報告期末後，該筆款項已根據一沖銷協議(內容有關本公司於期內收購一間子公司結轉的結餘)與應付一間關聯公司款項沖銷，於二零一八年八月全數抵銷。

15. 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。

應收賬款基於按到期還款日(並扣除撥備)的賬齡分析如下：

		30 June 2018 二零一八年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 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	715,185	211,143
0–30 days past due	逾期0至30天	180,607	1,512
31–60 days past due	逾期31至60天	16,649	–
61–90 days past due	逾期61至90天	–	935
91–120 days past due	逾期91至120天	–	33,134
121–365 days past due	逾期121至365天	21,043	21,541
		218,299	57,122
		933,484	268,265

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

16. 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 extension of the Bonds resulted in gain of HK\$4,102,252 which was the difference between the carrying value of the Bonds of HK\$58,616,685 before the extension of the maturity date and the present value of modified cash flow of the Bonds of HK\$54,514,433 (at effective interest rate of 24.3%). The Bonds were 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 was not a business day the next business day). The face value of the Bonds was HK\$51,000,000. The Bonds were convertible to 54,838,708 shares per HK\$0.93 bond.

If the Bonds had not been converted, the Company would have to 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 would have to 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 was not a business day, the next business day), which the first year interest had been paid.

If the maturity date was extended or postponed pursuant to the terms and conditions of the Bonds, upon maturity of the Bonds on such extended maturity date, the Company would have to 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.

16. 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」)。債券於二零一七年六月十四日(債券的原到期日)延長一年至二零一八年六月十四日。因債券的到期日延長，產生4,102,252港元之收入，由未延長到期日之債券之賬面值58,616,685港元及債券經改變現金流現值54,514,433港元(以實際利率24.3%計算)計算差異所得。債券可於債券延長日期至緊接到期日前之營業日(即債券延長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。

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(即債券延長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，首年利息已獲支付。

倘到期日根據債券的條款及條件延遲或推遲，債券於有關經延遲到期日到期時，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。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

16. CONVERTIBLE BONDS (Continued)

The movement of the liability component of the Bonds for the year ended 31 December 2017 is set out below:

16. 可換股債券(續)

債券負債部分於截至二零一七年十二月三十一日止年度的變動載列如下：

		HK\$ 港元
Liability component at 1 January 2017 (audited)	於二零一七年一月一日之負債部分 (經審核)	53,152,913
Interest charged (Note 8) (restated)	利息支出(附註8)(經重列)	6,032,793
Interest paid	已付利息	(4,080,000)
Gain on extension of the Bonds	延長債券之收入	(4,102,252)
Liability component at 30 June 2017 and 1 July 2017 (restated)	於二零一七年六月三十日及二零一七年 七月一日之負債部分(經重列)	51,003,454
Interest charged (restated)	利息支出(經重列)	3,456,890
Interest paid	已付利息	(1,329,052)
Converted to shares during the period (restated)	期內轉換為股份(經重列)	(53,131,292)
Liability component at 31 December 2017 (audited)	於二零一七年十二月三十一日之 負債部分(經審核)	-

The interest charged for the six months ended 30 June 2017 was calculated by applying an effective interest rate of 24.3 per cent (restated) to the liability component.

截至二零一七年六月三十日止六個月期間負債部分之利息支出乃按實際利率24.3%(經重列)計算。

Mr. Ding, who owns 90% equity interest of the Former 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.

丁先生(擁有本公司前控股股東90%之股權)擔保本公司根據債券之條款及條件及根據丁先生作出的個人擔保妥為支付應付的所有款項。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

17. TRADE AND OTHER PAYABLES

17. 應付賬款及其他應付款項

		30 June 2018 二零一八年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 (Audited) (經審核) (Restated) (經重列)	1 January 2017 二零一七年 一月一日 HK\$ 港元 (Audited) (經審核) (Restated) (經重列)
Trade payables	應付賬款	228,611	312,741	218,855
Accruals and other payables (note)	應計項目及其他應付 款項(附註)	23,540,376	6,650,009	8,373,992
		23,768,987	6,962,750	8,592,847

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 2018 二零一八年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 (Audited) (經審核)	1 January 2017 二零一七年 一月一日 HK\$ 港元 (Audited) (經審核)
0-30 days	0至30天	150,437	291,825	155,256
31-60 days	31至60天	77,640	10,764	34,054
61-90 days	61至90天	534	7,751	10,669
Over 90 days	超過90天	-	2,401	18,876
		228,611	312,741	218,855

Note: As at 30 June 2018, the balance includes payable to a company which is ultimately controlled by Mr. Yuan of HK\$12,905,450 which is unsecured, non-interest bearing and repayable on 30 April 2019. Subsequent to the end of the reporting period, the balances were partially settled in August 2018 by way of netting off with other receivables to related companies with reference to a netting off agreement in relation to balances brought forward from acquisition of a subsidiary during the period.

附註：於二零一八年六月三十日，其他應付款項包括應付一間由袁先生最終控制之子公司款項12,905,450港元(無抵押、免息及於二零一九年四月三十日償還)，於本報告期末後，該筆款項已根據一沖銷協議(內容有關本公司於期內收購一間子公司結轉的結餘)與應收關聯公司款項沖銷，於二零一八年八月部份抵銷。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

18. BORROWINGS

18. 借款

		30 June 2018 二零一八年 六月三十日 HK\$ 港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 (Audited) (經審核)
Borrowings repayable on 1 June 2020	應於二零二零年六月一日 償還的借款	2,785,664	6,280,000
Borrowings repayable on 27 August 2020	應於二零二零年八月二十七日 償還的借款	4,545,986	5,651,398
Borrowings repayable on 27 December 2020	應於二零二零年十二月二十七日 償還的借款	4,013,677	5,004,383
		11,345,327	16,935,781

- (a) As at 31 December 2017, the Group had borrowings of HK\$16,500,000 from and HK\$435,781 interest payables to the Former Shareholder with effective interest rate of 7.3%. The borrowings were unsecured, interest bearing of 8% per annum and repayable on maturity.
- (a) 於二零一七年十二月三十一日，本集團擁有來自前控股股東之借款16,500,000港元及應付該公司的利息435,781港元，實際利率為7.3%。該借款為無抵押、按年利率8%計息及應於到期日償還。
- (b) As at 30 June 2018, the Group signed an agreement with the Former Shareholder, pursuant to which, interest of HK\$1,095,781 for the period from 2 June 2017 to 30 June 2018 and interest payable commencing from 1 July 2018 are waived. A gain of HK\$3,550,454 is resulted from the waiver of interest on borrowings. Since the lender (the "Former Shareholder") is a shareholder of the Company as at 30 June 2018, the gain resulted from the waiver of the interest on borrowings is recognised in shareholder's contributions equity account.
- (b) 於二零一八年六月三十日，本集團與前控股股東簽訂協議，根據該協議，於二零一七年六月二日至二零一八年六月三十日期間的利息1,095,781港元，及自二零一八年七月一日起的應付利息將獲豁免。借款利息減免產生收入3,550,454港元。由於貸方（「前控股股東」）於二零一八年六月三十日為本公司股東，因借款利息的豁免而產生的收入將於股東注資權益賬中確認。
- (c) As at 30 June 2018, the Group has borrowings of HK\$11,345,327 (31 December 2017: HK\$16,935,781), with effective interest rate of 9% (31 December 2017: 7.3%), from the Former Shareholder. The borrowings are unsecured, non-interest bearing and repayable on maturity.
- (c) 於二零一八年六月三十日，本集團擁有來自前控股股東之借款11,345,327港元（二零一七年十二月三十一日：16,935,781港元），實際利率為9%（二零一七年十二月三十一日：7.3%）。借款為無抵押、免息及應於到期日償還。

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

19. ACQUISITION OF A SUBSIDIARY

During the period ended 30 June 2018, the Company acquired 100% equity interest of Huizhou Hazens East Resort Travel Services Limited ("Huizhou Hazens") from a company controlled by Mr. Yuan at a cash consideration of HK\$1,222,359 (equivalent to RMB1,000,000).

The fair value of the identifiable assets and liabilities of Huizhou Hazens acquired as at its date of acquisition is as follows:

Net liabilities acquired:

19. 收購子公司

截至二零一八年六月三十日止期間，本公司由一間由袁先生所控制之公司收購惠州合正東部灣旅遊服務有限公司（「惠州合正」）之100%股權，現金代價為1,222,359港元（相等於人民幣1,000,000元）。

惠州合正於收購日所收購之可識別資產及負債公平值如下：

所收購負債淨值：

		HK\$ 港元 (Unaudited) (未經審核)
Property, plant and equipment	物業、廠房及設備	3,992,105
Right-of-use assets	使用權資產	14,796,335
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	10,306,423
Inventories	存貨	124,585
Deferred income tax assets	遞延所得稅資產	646,196
Bank and cash balances	銀行及現金結餘	206,101
Trade payables	應付賬款	(3,055,552)
Accruals, deposits received and other payables	應計項目、已收按金及其他應付款項	(13,058,322)
Lease liabilities	租賃負債	(14,796,335)
		(838,464)
Goodwill on acquisition	於收購日之商譽	2,060,823
		1,222,359
Satisfied by cash	由現金支付	1,222,359
Net cash outflow arising on acquisition:	因收購所產生的現金流出淨額：	
Cash consideration paid	已付現金代價	(1,222,359)
Cash and cash equivalents acquired	收購現金及現金等價物	206,101
		(1,016,258)

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

19. ACQUISITION OF A SUBSIDIARY (Continued)

The goodwill arising on the acquisition of Huizhou Hazens is attributable to the Group's ability to broaden the Group's scope of business in the hotel industry by expanding in various PRC locations.

If the acquisition had been completed on 1 January 2018, total Group's revenue for the period would have been approximately HK\$12,454,876, and loss for the period would have been approximately HK\$11,509,323. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved.

20. RELATED PARTY TRANSACTION

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with its related parties during the period:

- (a) As at 30 June 2018, the Group has borrowings of HK\$11,345,327, with effective interest rate of 9% (31 December 2017: 7.3%), from the Former Shareholder. The borrowings are unsecured, non-interest bearing and repayable on maturity.

As at 30 June 2018, the Group signed an agreement with the Former Shareholder, pursuant to which, borrowing interest for the period from 2 June 2017 to 30 June 2018 and interest payable commencing from 1 July 2018 are waived.

- (b) In August 2017, the Former Shareholder has made available a credit facility up to the amount of HK\$20,000,000 to the Company under substantially the same terms with the borrowings which the Company may request for drawdown at any time prior to 31 March 2018. No credit facility is used before the expiry of the credit facility.

19. 收購子公司(續)

收購惠州合正所產生的商譽乃由於本集團有能力擴展本集團酒店業的業務範圍至中國各地。

倘收購已於二零一八年一月一日完成，本集團期內收益總額應約為12,454,876港元，而期內虧損應約為11,509,323港元。備考資料僅供說明用途，並非本集團實際可實現的收益及營運業績的指標。

20. 關聯方交易

除簡明綜合財務報表其他內容披露的關聯方交易及結餘外，本集團於期內有以下重大關聯方交易：

- (a) 於二零一八年六月三十日，本集團擁有來自前控股股東之借款11,345,327港元，實際利率為9%（二零一七年十二月三十一日：7.3%）。借款為無抵押、免息及應於到期日償還。

於二零一八年六月三十日，本集團與前控股股東簽訂協議，根據該協議，於二零一七年六月二日至二零一八年六月三十日期間的借款利息，及自二零一八年七月一日起的應付利息將獲豁免。

- (b) 於二零一七年八月，前控股股東已根據與借款大致相同的條款向本公司提供金額最多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。於該信貸融資額度到期之前，本公司並無動用該信貸融資額。

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

21. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2018 (At 31 December 2017: HK\$Nil).

22. CAPITAL COMMITMENTS

The Group did not have any capital commitments at 30 June 2018 (At 31 December 2017: HK\$Nil).

23. EVENTS AFTER THE REPORTING PERIOD

On 18 July 2018, the Controlling Shareholder enters into the sale and purchase agreement (“S&P Agreement”) with the Former Shareholder to acquire 269,019,010 shares (representing approximately 60% of the entire issued share capital of the Company) for a consideration of HK\$300,000,000 (equivalent to approximately HK\$1.1152 per share). Completion took place on 18 July 2018 immediately after the entering into of the S&P Agreement. Following the completion, the Controlling Shareholder owned approximately 60% equity interest in the Company.

Immediately prior to the entering into the S&P Agreement, Mr. Yuan is a director of Huizhou Hazens, a wholly-owned subsidiary of the Company acquired during the period.

24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The condensed financial statements were approved and authorised for issue by the Board of Directors on 29 August 2018.

21. 或然負債

於二零一八年六月三十日，本集團並無任何重大或然負債（於二零一七年十二月三十一日：零港元）。

22. 資本承擔

於二零一八年六月三十日，本集團並無任何資本承擔（於二零一七年十二月三十一日：零港元）。

23. 報告期後事項

於二零一八年七月十八日，控股股東與前控股股東訂立買賣協議（「買賣協議」），購買合共269,019,010股本公司股份，相當於本公司已發行股本約60%，代價為300,000,000港元（相當於每股1.1152港元）。緊隨訂立買賣協議後，完成已於二零一八年七月十八日作實。於買賣協議完成後，控股股東擁有本公司約60%之股權。

緊隨訂立買賣協議之前，袁先生為惠州合正（該公司為本公司於期內收購的一間全資子公司）的董事。

24. 批准中期財務報表

簡明財務報表由董事會於二零一八年八月二十九日批准及授權發佈。



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